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20. TRAVEL EXPENSE. The Government Operations Committee reported with amendment H. R. 6295, to provide for an increase in maximum per diem allowance for subsistence and travel expenses (H. Rept. 604) (p. 5699).
21. APPROPRIATIONS. Passed with amendments H. R. 6239, the D. C. appropriation bill for 1956 (pp. 5666-85).
Passed as reported H. J. Res 310, the second urgent deficiency appropriation bill, 1955 (p. 5686). The joint resolution, which had been reported without amendment earlier in the day (H. Rept. 605), provides 263,475 for the Commission on Organization of the Executive Branch of the Government and 25 million for the Veterans' Administration for readjustment benefits (p. 5699).
The Appropriations Committee reported without amendment H. R. 6367, the Department of Commerce and related agencies appropriation bill for 1956 (H. Rept. 603) (p. 5699).
22. FARM PROGRAM; RECLAMATION. Rep. Holifield criticized the administration's present flexible price support program, the reduction in acreage allotments, and the proposed upper Colorado River project (pp. 5687-93).
23. PRICE SUPPORTS. Rep. Meader inserted a Jackson Citizen Patriot editorial objecting to his criticism of Gov. Williams' support of H. R. 12, the 90 per cent price support bill (pp. 5663-4).
24. TRADE AGREEMENTS. Rep. Bailey criticized certain provisions of H. R. 1, the trade agreements extension bill, as passed by the Senate (pp. 5693-6).
25. ELECTRIFICATION. Received a Mo. Legislature resolution urging an appropriation for the Southwestern power Administration, and to make power available to all who need it (p. 5699).
26. SCHOOL MILK. Received an Hawaiian Legislature resolution urging extension of the special school milk program to Hawaii (p. 5699).
27. ADJOURNED until Mon., May 23 (p. 5699). Legislative program as announced by Majority Leader McCormack: Mon., D. C. bills; Tues., Commerce appropriation bill; Wed., Thurs., and Fri., H. R. 2851, surplus commodities donation bill, and H. R. 5881, loans to small reclamation projects (p. 5686).
28. REORGANIZATION; PERSONNEL. H. Doc. 164 (see Digest 81) is a Presidential recommendation that Congress approve a GS-18 position, in lieu of a GS-17 position, for the President's Advisory Committee on Government Organization.

BILLS INTRODUCED

29. WHEAT. S. 2013, by Sen. Schoeppel, to provide for an emergency wheat program to be effective in 1956 if producers disapprove marketing quotas for the 1956 wheat crop; to Agriculture and Forestry Committee (p. 5604). Remarks of author (p. 5605).
30. INFORMATION. S. 2017, by Sen. Langer, to amend title 18 of the United States Code so as to prohibit the misuse by collecting agencies of names, emblems, and insignia to indicate Federal agency; to Judiciary Committee (p. 5604).
31. PERSONNEL. S. 2019, by Sen. Carlson, to amend the Federal Employees' Group Life Insurance Act of 1954; to Post Office and Civil Service Committee (p. 5604). Remarks of author (p. 5606).

on May 24 (pp. 5626-7, 5642-3).

11. PUBLIC LANDS. The Interior and Insular Affairs Committee reported with amendments S. 1464, to authorize the Interior Department to acquire rights-of-way and existing connecting roads for access roads to public lands under its jurisdiction (S. Rept. 364)(p. 5603).
12. ROADS. Sen. Byrd inserted several newspaper articles commenting on the President's proposed road program (pp. 5619-23).
13. FORESTRY; MINING. Sen. Humphrey spoke in favor of S. 1713, to provide protection of national forests from unreasonable mining claims, and inserted a Sport Fishing Institute Bulletin article, "Mining Claims and Fishing," discussing this subject (pp. 5624-5).
14. PERSONNEL. Received a draft of proposed legislation from the Civil Service Commission to amend the Federal Employees' Group Life Insurance Act of 1954; to Post Office and Civil Service Committee (p. 5601).
15. SEED STORAGE. Received a resolution of the Greater North Dakota Association favoring the establishment of a national seed storage facility (p. 5603).
16. OLEOMARGARINE. Sen. Thye remarked on actions under consideration by the Federal Trade Commission against certain manufacturers of oleomargarine who have allegedly used false advertising to the detriment of the dairy industry (pp. 5613-4).
17. ELECTRIFICATION; RECLAMATION. Sen. Murray inserted an article from America by Mark J. Fitzgerald, S. J., in support of S. 1333 to construct a high dam on the Snake River (pp. 5618-9).
Sen. Watkins exchanged remarks with Sen. Kuchel on the value of the Colorado River Storage project, and inserted a statement by W. A. Dexheimer in support of the project (pp. 5639-41).
Sen. Neuberger commented in support of the Crooked River Project and the proposal to use power revenues to help finance the project. W. A. Dexheimer's statement is included in support thereof. (pp. 5648-9.)
Sen. Neuberger inserted an editorial from the St. Louis Post-Dispatch critical of the Administration's program to permit development of the Hells Canyon project by Idaho Power and urging the construction of a high dam by the Federal government (pp. 5649-50).

HOUSE

18. RESERVE FORCES. Continued debate on H. R. 5297, to provide for strengthening of the Reserve Forces (pp. 5651-63).
19. SURPLUS COMMODITIES; RECLAMATION. The Rules Committee ordered reported resolutions for consideration of H. R. 2851, to authorize CCC to process food commodities for donation to the needy; and H. R. 5881, to provide for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects (p. D442).
The Interior and Insular Affairs Committee reported with amendment H. R. 4663, to authorize the Trinity River division, Central Valley project, Calif. (H. Rept. 602) (p. 5699).

DEPARTMENT OF COMMERCE AND RELATED AGENCIES
APPROPRIATION BILL, FISCAL YEAR 1956

MAY 19, 1955.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. PRESTON, from the Committee on Appropriations, submitted the
following

R E P O R T

[To accompany H. R. 6367]

The Committee on Appropriations submits the following report in
explanation of the accompanying bill making appropriations for the
Department of Commerce and Related Agencies for the fiscal year
1956.

APPROPRIATIONS AND ESTIMATES

The bill provides appropriations for the Department of Commerce,
the Panama Canal, the Advisory Committee on Weather Control, the
St. Lawrence Seaway Corporation, and the Tariff Commission.

The budget estimates forming the primary bases of consideration
by the Committee will be found in the budget for 1956 on the following
pages:

<i>Agency</i>	<i>Pages of the budget document</i>
Department of Commerce.....	442-502, inclusive
Advisory Committee on Weather Control.....	98
St. Lawrence Seaway Corporation.....	203-206
Tariff Commission.....	149-150
The Panama Canal.....	635-638; 641-650

The Committee also considered estimates contained in House
Document No. 126, dated April 13, 1955.

2 COMMERCE AND RELATED AGENCIES APPROPRIATIONS, 1956

The following table summarizes the amounts recommended in the bill in comparison with the corresponding budget estimates and 1955 appropriations:

Department or agency	Appropriation, 1955	Estimates, 1956	Recommended, 1956	Bill compared with—	
				1955 appropriation	1956 estimates
Title I—Department of Commerce	\$1,130,632,746	\$1,347,800,000	\$1,103,560,000	—\$27,072,746	—\$244,240,000
Title II—The Canal Zone	15,433,000	16,898,000	16,300,000	+867,000	—598,000
Title III—Independent agencies	1,447,000	1,695,000	1,575,000	+128,000	—120,000
Total	1,147,512,746	1,366,393,000	1,121,435,000	—26,077,746	—244,958,000

A tabulation is presented at the end of this report setting forth the figures for each agency and each appropriation.

TITLE I—DEPARTMENT OF COMMERCE

The budget estimates for the Department of Commerce for the fiscal year 1956, including funds for the Civil Aeronautics Board, total \$1,347,800,000. Comparable appropriations for the fiscal year 1955 amounted to \$1,130,632,746. Amounts recommended in the accompanying bill are \$1,103,560,000, a reduction of \$27,072,746 below 1955 appropriations and \$244,240,000 in the 1956 budget estimates. The major portion of the reductions are in two agencies, the Maritime Administration, and the Bureau of Public Roads.

OFFICE OF THE SECRETARY

The Committee recommends a total of \$2,172,000 for the coming fiscal year, an increase of \$122,000 over the appropriation for 1955 and a reduction of \$128,000 in the 1956 budget estimate. The increase over 1955 covers the transfer of the Defense Air Transport Administration from the Business and Defense Services Administration to the Secretary's Office. The net effect of the Committee action is to continue the 1955 level of operation into 1956.

BUREAU OF THE CENSUS

Salaries and expenses.—The sum of \$6,200,000 is recommended for 1956, a reduction of \$1,200,000 in the budget estimate. The amount proposed will permit the Bureau to continue operations at the 1955 level.

Census of agriculture.—The Committee recommends a total of \$5,500,000 to complete the 1954 Census of agriculture in 1956. This project was initiated with \$16,000,000 appropriated in fiscal year 1955. The amount recommended for 1956 is a decrease of \$500,000 in the budget estimate.

Censuses of business, manufactures, and mineral industries.—The sum of \$4,000,000 is recommended to complete these censuses. The censuses were taken with funds appropriated in the fiscal year 1955. The amount proposed is a reduction of \$655,000 in the budget estimate.

CIVIL AERONAUTICS ADMINISTRATION

Operation and regulation.—This is a new appropriation which covers activities formerly financed under the headings “Salaries and expenses” and “Technical development and evaluation”. In addition it carries the administrative funds for the programs “Establishment of air-navigation facilities” and “Grants-in-aid for airports” which were formerly provided under those two main appropriations. The comparable amounts available for the fiscal year 1955 for activities financed from the new consolidated appropriation are as follows:

Salaries and expenses.....	\$98, 730, 000
Technical development and evaluation.....	700, 000
Establishment of air navigation facilities (administrative costs)....	1, 831, 734
Federal-aid airport program (administrative costs).....	1, 850, 000
Total.....	103, 111, 734

The amount recommended for 1956, \$103,000,000, will permit continuation of the activities financed under this heading at approximately the same level as was authorized for the fiscal year 1955. The Committee recommends that the reduction in the budget estimates of \$3,150,000 be applied by the Administration in such a manner that safety in aviation will not be affected. It believes that the \$100,000 requested for an aviation medical standards survey and the \$40,000 requested for a project to transfer safety responsibility to industry can be eliminated without affecting aviation safety.

Establishment of air-navigation facilities.—The bill includes \$18,500,000 for this program for the coming fiscal year. While this is a decrease of \$4,500,000 in the budget estimate, it does provide an increase of \$15,331,734 over funds for 1955, when adjustments for administrative costs are taken into account. The Committee feels this amount is adequate to meet the need for additional facilities on the federal airways of the country in the coming year.

In addition the Committee has recommended the budget estimate of \$7,000,000 for the liquidation of prior contract authorization for this program. This action will fully liquidate all outstanding contract authorizations for this purpose.

Grants-in-aid for airports.—The Committee recommends a total of \$20,000,000 for 1956, an increase of \$9,000,000 in the budget estimate. In view of the transfer of nearly \$2,000,000 in administrative expenses to the new appropriation “Operation and regulation”, the amount proposed represents a continuation of this program at virtually the same level as was authorized for 1955. The Committee feels that the need for more adequate airports throughout the country, together with the evidence of demand on the part of the communities and other local bodies cooperating in the program, fully support the recommended increase of \$9,000,000. Testimony presented to the Committee indicates that local communities have pledged over \$100,000,000 which has not yet been matched with federal funds. Testimony also indicates that many cities are paying interest on bonds issued several years or more ago to raise funds to participate in this program. The Committee believes that this program should be continued at a faster rate than proposed by the 1956 budget, if the local communities are to be expected to continue to cooperate. Further, it is uneconomical to continue to appropriate funds in small amounts.

While the Committee is in full agreement with this program and is endeavoring to support it with adequate funds, it believes that every effort must be made to make certain that they are used wisely and effectively. It is felt that the present formula prevents development of smaller airports and operates to the advantage of airports in larger metropolitan areas. It is believed that the formula should be revised and consideration should be given in justifiable cases to smaller airports and in certain cases where operating facilities are involved.

An appropriation of \$7,500,000 is also included in the bill for the liquidation of prior contract authorization under this program. The amount will completely liquidate all contract authorization granted for this purpose during prior years.

Washington National Airport.—The Committee recommends an appropriation of \$1,350,000 for maintenance and operation of the airport during 1956. This is a decrease of \$65,000 in the budget estimate, but will permit the continuation of its operations at the same level as authorized for 1955.

In addition the sum of \$525,000 is proposed for construction, alterations and repairs at the airport. This will provide improvements as follows: installation of additional gasoline storage facilities, \$225,000; apron paving, \$115,000; construction of additional baggage facilities, \$70,000; standardization and replacement of field markings and lights, \$52,000; installation of an emergency electrical generator, \$40,000; improvement of fire protection facilities, \$23,000. All of these projects will add to the safety of airport operations and are essential to meet the constantly increasing traffic at the airport.

Alaska airports.—An appropriation of \$600,000 is recommended for maintenance and operations of the Anchorage and Fairbanks airports during the coming fiscal year. This is a reduction of \$150,000 in the 1956 budget estimate, but this amount will provide adequate funds to permit the airports to continue operation at the 1955 level.

Air navigation development.—The Committee recommends \$1,050,000 for 1956, a reduction of \$950,000 in the budget estimates. It believes that this amount, which is the same as that appropriated for the fiscal year 1955, is adequate to permit satisfactory continuation of this program.

CIVIL AERONAUTICS BOARD

Salaries and expenses.—The Committee recommends \$3,900,000 for the coming year for this purpose, a decrease in the budget estimate of \$225,000. The increase of \$123,000 over the appropriation for 1955 is recommended for the purpose of strengthening the field audit program of the Board. The Committee believes that more careful verification of data supporting air carriers' claims is essential. It hopes that such a practice will make it possible to reduce subsidy funds in the future.

Payments to air carriers.—The sum of \$40,000,000 is recommended for the coming fiscal year for this purpose, a reduction of \$8,900,000 below funds appropriated for 1955 and a reduction of \$23,000,000 in the budget estimate. The Committee believes that substantial reductions can be made in payments to air carriers during the next fiscal year if a careful and thorough audit of each claim is made and if realistic practices in the handling of these claims are followed.

COAST AND GEODETIC SURVEY

The 1955 appropriation of \$10,200,000 is again recommended for 1956 for the activities of this agency. This is a reduction of \$200,000 in the budget estimate. A thorough reappraisal of the activities of this organization should permit it to meet all of its needs during the coming fiscal year within the amount recommended in the accompanying bill.

BUSINESS AND DEFENSE SERVICES ADMINISTRATION

An appropriation of \$6,198,000 is recommended for 1956, a reduction of \$1,102,000 in the budget estimate. The reduction of \$122,000 below the 1955 appropriation is due to the transfer of the Defense Air Transport Administration activities from this heading to the Office of the Secretary.

BUREAU OF FOREIGN COMMERCE

Salaries and expenses.—The Committee recommends \$1,800,000 for next year. This is a reduction of \$200,000 below the 1955 appropriation and is a reduction of \$400,000 in the budget estimate.

Export control.—The sum of \$2,500,000 is recommended for the coming fiscal year, a decrease of \$981,000 below the 1955 appropriation and a decrease in the budget estimate of \$500,000. Testimony presented to the Committee indicates that the number of items on the positive list has decreased 45 percent during the past year. In view of this sizable decrease, the Committee believes that the amount recommended in the accompanying bill is adequate.

OFFICE OF BUSINESS ECONOMICS

The Committee recommends \$975,000 for the fiscal year 1956, a reduction of \$25,000 in the budget estimate. The increase of \$75,000 over 1955 is allowed to finance a special study of unemployment throughout the country. The Committee feels that such a study is essential to future consideration of this problem by both the Legislative and Executive Branches of the Government.

MARITIME ACTIVITIES

Ship construction.—The bill includes a total of \$64,700,000 for the ship construction program of the Maritime Administration during the fiscal year 1956. This is a reduction of \$17,900,000 below funds appropriated for the fiscal year 1955, and is \$38,100,000 below the budget estimate for 1956. The amount recommended covers the following major programs under this heading:

Title V construction.....	\$44, 750, 000
Tanker trade-in-and-build program.....	11, 500, 000
Acquisition of cargo ships.....	4, 200, 000
Research and development program.....	2, 500, 000
Administrative and warehouse expenses.....	1, 750, 000
Total.....	64, 700, 000

The amount approved for Title V construction includes \$14,000,000 for the construction of two combination cargo-passenger ships for use in round-the-world service by the American President Lines;

\$19,250,000 to replace five cargo ships; \$11,300,000 to convert two Mariners for use in passenger-cargo service between Pacific coast ports and Australia by the Oceanic Steamship Co.; and \$200,000 for reconditioning two vessels for the American President Lines, the *President Cleveland* and the *President Wilson*. In the event this latter amount is insufficient, any additional amount necessary is to be absorbed within the total amount appropriated herein.

The tanker trade-in-and-build program authorized will permit the trade-in of ten used tankers and the construction of five new ships.

Funds are also provided to acquire the five vessels proposed for replacement under the "replacement cargo ship program" covered under the Title V program discussed above.

No funds have been included in the amount proposed to construct three prototype vessels, including two austerity cargo ships and one highspeed tanker, under Title VII.

Operating differential subsidies.—For the payment of obligations under this program, the committee recommends \$90,000,000 for the next fiscal year, a reduction of \$25,000,000 below appropriations for 1955 and the budget estimate for 1956. It is believed that close scrutiny should be given to employment practices and similar cost factors of subsidized lines in order that future payments may be reduced to a minimum.

Salaries and expenses.—The sum of \$14,000,000 is recommended for 1956, which is an increase of \$100,000 over the 1955 appropriation. This increase will be used to meet additional reserve fleet expenses. The amount proposed includes \$5,955,000 for administrative expenses and \$1,085,000 for maintenance of shipyard facilities and operation of warehouses, the same amounts as authorized for 1955.

Maritime training.—The budget estimate of \$2,085,000 is recommended for 1956, a decrease of \$115,000 below the amount appropriated for 1955. In view of certain non-recurring items included in the 1955 appropriation, the amount recommended will provide for some increase in the maintenance and repair of the physical facilities at the Academy, which are urgently needed.

The new language covering salaries and expenses in the District of Columbia has not been included in the bill as proposed by the budget. This action is not intended to change existing arrangements in this regard, however.

State maritime schools.—The Committee has restored the funds for the State maritime schools for the coming fiscal year. The amount recommended, \$660,000, is the same as was appropriated for this purpose for the fiscal year 1955. Many Members of Congress and others presented convincing testimony as to the importance of these schools to the future of the maritime industry and the national defense of the country.

Repair of Reserve Fleet vessels (liquidation of contract authorization).—An appropriation of \$6,000,000 is recommended for liquidation of contract authorization under this heading during 1956. Of the \$25,000,000 authorization granted in 1955, \$12,000,000 was appropriated in the Supplemental Appropriation Act of 1955. The amount provided in the accompanying bill will reduce the Government's future obligation under this authorization to \$7,000,000.

War Shipping Administration liquidation.—The Committee recommends that \$5,900,000 of the unexpended balance of the appropriation established for liquidation of obligations under this program be continued available for the payment of claims which will fall due during the coming fiscal year.

PATENT OFFICE

The Committee recommends \$14,000,000 for the salaries and expenses of the Patent Office during fiscal year 1956. This is an increase of \$2,500,000 over the appropriation for 1955 and is \$2,000,000 over the budget estimate for 1956. Considerable testimony was taken from Members of Congress and others urgently requesting an increase above the budget estimate for this item. According to information presented to the Committee, there is close to a four-year backlog of patent applications at the present time. The Committee is in full agreement that every effort must be made to place this work on a more current basis as rapidly as is feasible and practicable. However, according to the head of the Patent Office, additional qualified personnel cannot be recruited at a rate which will require over \$14,000,000 for the coming year.

In view of the great amount of misunderstanding as to reasons for conditions at the Patent Office, it should be pointed out that sums appropriated for this agency during past years have been approximately the same as the budget estimates submitted each year. Furthermore it should be noted that the appropriation for 1955 was increased \$500,000 over the budget estimate. The Patent Office was established as a constitutional agency designed to protect the individual and serve the public. At no time was it contemplated that it should be self-sustaining. While there is no objection to a review and study of fees, the Committee does not subscribe to the principle that the agency should be self-supporting. The plans of the Patent Office to utilize electronics equipment and modernize the system of examining patent applications are encouraged.

BUREAU OF PUBLIC ROADS

Federal-aid highways.—The bill includes \$600,000,000 for the Federal-aid highway program for the coming fiscal year. This is an increase of \$5,000,000 over funds provided for the current year and is a decrease of \$80,000,000 in the budget estimate for 1956. This amount will completely liquidate funds authorized for 1954 and will cover nearly half of the 1955 authorizations. Actual payment usually is made from 15 to 18 months after contracts are approved. The action of the Committee should in no way delay the approved construction program.

Forest highways.—The Committee recommends \$18,500,000 for 1956, the same amount as was provided for fiscal year 1955. The amount provided will liquidate nearly all of the authorizations through fiscal year 1955. Taking into consideration the normal time lag between commitment and payment, this should meet fund requirements for the next fiscal year.

Inter-American Highway.—The bill includes \$8,000,000 for the coming fiscal year, an increase of \$2,250,000 over funds appropriated for 1955 and a decrease of \$66,980,000 in the budget estimate.

The original budget submitted in January for this project included \$5,750,000, which was based on completion in about six years. This estimate was increased to \$74,980,000 by House Document No. 126 dated April 13, 1955, on the basis of a recent proposal to complete the highway within a three year period. The Committee is recommending only \$8,000,000 for 1956, however, in view of lack of basic legislative authority for the revised estimate, and in view of the added cost of the accelerated program.

Testimony from officials of the Bureau of Public Roads disclosed that adoption of the revised plan would cost an additional \$11 or \$12 million, due to the necessity of bringing in larger amounts of heavy equipment and the need to employ more outside labor at higher prices. The Committee agrees that this project should be completed within a reasonable time, and has provided sufficient funds for 1956 to make this possible. It does not feel justified, however, in recommending a "crash-basis" program which will cost the taxpayers an additional twenty percent or more for the same final result.

Public lands highways (liquidation of contract authorization).—The budget estimate of \$2,000,000 is recommended for 1956, an increase of \$1,125,000 over the funds provided for fiscal year 1955. This will enable the Bureau to liquidate all of the amount authorized for the fiscal year 1955 and a portion of the funds authorized for fiscal year 1956.

NATIONAL BUREAU OF STANDARDS

Expenses.—This is a new appropriation which combines and consolidates programs formerly carried under the headings "Operation and administration", "Research and testing", and "Radio propagation and standards". The comparable amount available for these programs for fiscal year 1955 is \$5,990,000 as follows:

Research and testing.....	\$3, 150, 000
Radio propagation and standards.....	2, 100, 000
Operation and administration.....	750, 000
	6, 000, 000
Less: transfer to Office of Secretary.....	— 10, 000
Net total.....	\$5, 990, 000

The amount proposed for 1956, \$7,000,000, represents an increase of \$1,010,000 over funds available for 1955, and is a reduction of \$750,000 in the budget estimates.

A portion of the increase will be used to make adjustments required by the Comptroller General in overhead charges against technical projects undertaken by the Bureau for other agencies. In the past it has been the practice to distribute overhead at a disproportionately high rate to those programs supported by transferred funds. The additional funds provided in the bill for 1956 will permit the correction of this practice by the establishment of a proper charge against the Bureau's own programs.

The balance of the increase provided will be used to expand the Bureau's work in research and testing, and radio propagation and standards.

Plant and Equipment.—The committee recommends \$995,000 for 1956, a reduction of \$20,000 in the budget estimate. The amount recommended will permit a continuation of the alterations and improvements program as requested in the budget estimates. Also, it will permit the construction of an addition to the radio laboratory at Boulder, Colorado to conduct research for our armed services on calibrating electronic equipment for communications, navigation, fire-control, identification, and missile-guidance systems. The funds provided cover the construction of the necessary buildings. The cost of equipping and operating the facility will be borne by the military services.

WEATHER BUREAU

Salaries and expenses.—The sum of \$27,650,000 is included in the bill for 1956, an increase of \$2,710,000 over funds available for 1955 and a decrease of \$200,000 in the budget estimate. The additional funds include approximately \$2,500,000 to permit the Weather Bureau to take over certain basic meteorological activities now being supported by the Department of Defense. These include 25 upper-air basic network stations, central analysis work in Washington, the preparation and publication of special weather maps, and the handling of weather services in Trust Territory Islands of the Pacific. The balance of the increase provides for full-year operation of facilities operated during the fiscal year 1955 on a part year basis, and covers "fringe benefits" authorized by the last Congress.

The increasing difficulty being experienced in large cities in obtaining weather information directly from Weather Bureau offices was brought to the Committee's attention during the hearings. The Committee recognizes that the major portion of the weather information must be disseminated through automatic dial telephone service, radio stations, and similar general public service facilities. At the same time, however, it realizes that certain segments of our business population need special weather information in order to effectively conduct their activities. Accordingly, it is recommended that the Weather Bureau use a portion of the additional funds provided in the accompanying bill for the purpose of providing any such additional facilities required in major metropolitan areas.

Establishment of meteorological facilities.—The budget estimate of \$5,000,000 for 1956 is recommended by the Committee. The amount proposed includes \$2,700,000 for additional upper-air hurricane and tornado warning equipment, \$927,000 for 12 additional sets of radar equipment for early detection of storms, \$665,000 for installation of 45 sets of automatic electronic equipment at major airports to aid in landing of aircraft under adverse weather conditions, \$322,000 for replacement and improvement of out-moded and obsolete observational equipment of the Bureau, and \$386,000 for engineering and technical support for the installation of the above equipment.

THE PANAMA CANAL

CANAL ZONE GOVERNMENT

Operating expenses.—The sum of \$14,500,000 is recommended for 1956, an increase of \$482,000 over funds available for 1955 and a

decrease of \$517,000 in the 1956 budget estimate. A portion of the additional funds are provided to cover employee benefits authorized by Public Law 763, the so-called Fringe Benefits Act adopted at the last session of Congress. The balance of the increase is provided to enable the Canal Zone Government to meet its increased requirements for maintenance, education, and hospital services.

The Committee was advised that a change was made recently in the furnishing of kindergarten instruction to children of U. S. citizens in the Canal Zone. The Committee recommends that free public kindergartens be reinstated as soon as possible.

Capital outlay.—The sum of \$1,800,000 is recommended for 1956, an increase of \$385,000 over 1955 appropriations and a decrease of \$81,000 in the budget estimate. This appropriation provides funds for improvement and replacement of roads and streets, additions and alterations to schools and hospitals, and establishment of other municipal services necessary to the operation of the Canal Zone. With the exception of an increase for the construction of a sewage collection and disposal facility on the Pacific side, the amount approved provides for normal annual capital costs.

PANAMA CANAL COMPANY

The Committee recommends \$3,589,000 for administrative expenses of the Company during the coming fiscal year, which will permit continuation of its activities on the same basis as was authorized for the fiscal year 1955.

A majority of the committee believes that the abandonment of the railroad should be looked into by the appropriate legislative committee of the House of Representatives before any further action is taken on this matter.

The Committee was surprised to learn that the Steamship *Panama* was recently converted to a freighter and immediately thereafter reconverted to a passenger carrying vessel. While this may not be too serious as far as its immediate effects on the operations of the Company is concerned, the Committee wonders whether this is an indication of the manner in which other more important decisions are being handled by the Board of Directors of the Company. Such indecision reflects improper planning and it naturally prompts inquiry on the part of the Committee.

TITLE III—INDEPENDENT AGENCIES

Advisory Committee on Weather Control.—There is included in the bill the sum of \$175,000 for the Advisory Committee on Weather Control for 1956. This represents an increase of \$55,000 over the amount available for the fiscal year 1955 and is a reduction of \$120,000 in the budget estimates. The increase over 1955 will cover full year salaries for persons employed for only a part year in 1955, and will provide funds to expand several experimental projects.

St. Lawrence Seaway Development Corporation.—The Corporation was created to construct, maintain and operate that part of the St. Lawrence Seaway to be located in United States territory, as authorized by Public Law 358, 83rd Congress. The Committee recommends the full amount of the budget estimate, \$280,000, for administrative expenses during the coming fiscal year. The nominal increase of

\$30,000 over 1955 will enable the Corporation to employ three additional technicians who will be required as the major construction program gets under way.

Tariff Commission.—The amount of the budget estimate, \$1,400,000, is recommended in the bill. The additional \$73,000 provided for 1956 will permit the Commission to meet the rising demands for its services, especially in relation to increased public investigations under the "escape clause". It will also permit the Commission to assume new duties required by the Customs Simplification Act of 1954.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

On page 5, in connection with Grants-in-aid for airports:

Provided, That the unexpended balances of appropriations previously made under the head "Federal-aid airport program, Federal Airport Act," shall hereafter be merged with and accounted for under this head.

On page 10, in connection with Ship construction:

Provided further, That no funds contained in this Act may be used to commence construction, reconstruction, conversion, rconditioning, or betterment of any vessel until the total Federal funds required to complete such work have been appropriated.

On pages 11 and 12, in connection with Operating-differential subsidies:

shall forthwith be deposited in the special reserve fund of the operator: Provided further, That no contracts shall be executed during the current fiscal year by the Federal Maritime Board which will obligate the Government to pay operating differential subsidy on more than eighteen hundred and forty-seven voyages in any one calendar year, including voyages covered by contracts in effect at the beginning of the current fiscal year, of which not less than one hundred and twelve shall be for operators who have not held contracts prior to July 1, 1955.

On pages 20 and 21, in connection with the Bureau of Public Roads:

The unobligated balances of contract authorizations provided in section 4 of the Act approved June 8, 1938 (52 Stat. 634), and section 9 of the Act approved September 7, 1950 (64 Stat. 789), as amended by the Act approved October 15, 1951 (65 Stat. 421), are hereby canceled.

The authorization in section 3 of the Federal-Aid Highway Act of 1952 for forest highways for the fiscal year ending June 30, 1954, is hereby reduced by the sum of \$15,900,000.

On pages 27 and 28, in connection with general provisions, Panama Canal:

SEC. 204. There are hereafter authorized to be transferred between departments and agencies, with or without exchange of funds, all or so much of the facilities, buildings, structures, improvements, stock and equipment, of their activities located in the Canal Zone, as may be mutually agreed upon by the agencies involved and approved by the Director of the Bureau of the Budget, in the interest of elimination of duplicate activities and related facilities: Provided, That with respect to such transfers without exchange of funds (1) transfers to or from the Panama Canal Company shall be subject to the provisions of section 246 of title 2 of the Canal Zone Code, as added by the Act of June 29, 1948 (ch. 706, sec. 2, 62 Stat. 1076); and (2) transfers to or from the Canal Zone Government shall be at such appropriate amount as shall be agreed upon between the Canal Zone Government and the agencies concerned and approved by the Director of the Bureau of the Budget, and in the determination thereof due consideration shall be given to the cost of the transferred assets, or usable value to the transferee if clearly less than cost, and adequate provision made for depreciation of properties and equipment, obsolete or otherwise unusable inventories, and other reasonably determinable shrinkages in values; and such amount shall be added to or deducted from the investment of the United States in the Canal Zone Government as applicable.

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1955 AND THE ESTIMATES FOR 1956

TRUST FUNDS

[Not a charge against revenue]

	Appropriation estimate, 1955	Appropriation estimate, 1956	Increase (+) or decrease (-)
DEPARTMENT OF COMMERCE			
BUREAU OF THE CENSUS			
Special statistical work-----	\$1, 000, 000	\$900, 000	—\$100, 000
CIVIL AERONAUTICS ADMINISTRATION			
Gifts and donations-----	48, 788	-----	—48, 788
BUSINESS AND DEFENSE SERVICES ADMINISTRATION			
Expenses, transcripts of studies, tables, and other records-----	70, 000	70, 000	-----
Special statistical work-----	10, 000	10, 000	-----
MARITIME ACTIVITIES			
U. S. Merchant Marine Academy, Kings Point, N. Y.-----	5, 000	5, 000	-----
BUREAU OF PUBLIC ROADS			
Cooperative work, forest highways-----	30, 000	-----	—30, 000
Equipment supplies, etc., for cooperating countries-----	500, 000	500, 000	-----
Technical assistance, United States dollars advanced from foreign governments-----	3, 390, 396	1, 000, 000	—2, 390, 396

NATIONAL BUREAU OF STANDARDS			
Gifts and bequests.....	68, 400	46, 000	-22, 400
Special statistical work.....	500	500	-----
WEATHER BUREAU			
Special statistical work.....	1, 339	-----	-1, 339
Total, Department of Commerce.....	5, 124, 423	2, 531, 500	-2, 592, 923

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1955 AND ESTIMATES AND AMOUNTS RECOMMENDED
IN BILL FOR 1956

TITLE I—DEPARTMENT OF COMMERCE

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 appropriations	1956 estimates
OFFICE OF THE SECRETARY					
Salaries and expenses-----	\$2, 050, 000	\$2, 300, 000	\$2, 172, 000	+\$122, 000	-\$128, 000
CENSUS BUREAU					
Salaries and expenses-----	6, 200, 000	7, 400, 000	6, 200, 000	-----	-1, 200, 000
Census of agriculture-----	16, 000, 000	6, 000, 000	5, 500, 000	-10, 500, 000	-500, 000
Censuses of business, manufactures, and mineral industries-----	8, 430, 000	4, 655, 000	4, 000, 000	-4, 430, 000	-655, 000
Intercensal housing survey-----	-----	500, 000	-----	-----	-500, 000
Total, Census Bureau-----	30, 630, 000	18, 555, 000	15, 700, 000	-14, 930, 000	-2, 855, 000
CIVIL AERONAUTICS ADMINISTRATION					
Operation and regulation-----	-----	106, 150, 000	103, 000, 000	+103, 000, 000	-3, 150, 000
Air navigation facilities, establishment of--	5, 000, 000	23, 000, 000	18, 500, 000	+13, 500, 000	-4, 500, 000
Air navigation facilities, establishment of (liquidation of contract authorization)-----	-----	7, 000, 000	7, 000, 000	+7, 000, 000	-----
Grants-in-aid for airports-----	-----	11, 000, 000	20, 000, 000	+20, 000, 000	+9, 000, 000

Federal-aid airport program (liquidation of contract authorization)-----	-----	7, 500, 000	7, 500, 000	+ 7, 500, 000	-----
Washington National Airport:					
Maintenance and operation-----	1, 350, 000	1, 415, 000	1, 350, 000	-----	- 65, 000
Construction-----	340, 000	525, 000	525, 000	+ 185, 000	-----
Alaska airports, maintenance and operation-----	600, 000	750, 000	600, 000	-----	- 150, 000
Air navigation development-----	1, 050, 000	2, 000, 000	1, 050, 000	-----	- 950, 000
Salaries and expenses-----	¹ 98, 730, 000	-----	-----	- 98, 730, 000	-----
Technical development and evaluation-----	700, 000	-----	-----	- 700, 000	-----
Federal-aid airport program-----	22, 000, 000	-----	-----	- 22, 000, 000	-----
Claims, Federal Airport Act-----	69, 449	-----	-----	- 69, 449	-----
Land acquisition, additional, Washington Airport-----	16, 297	-----	-----	- 16, 297	-----
Total, Civil Aeronautics Administration-----	129, 855, 746	159, 340, 000	159, 525, 000	+ 29, 669, 254	+ 185, 000
CIVIL AERONAUTICS BOARD					
Salaries and expenses-----	3, 777, 000	4, 125, 000	3, 900, 000	+ 123, 000	- 225, 000
Payments to air carriers-----	² 48, 900, 000	63, 000, 000	40, 000, 000	- 8, 900, 000	- 23, 000, 000
Total, Civil Aeronautics Board-----	52, 677, 000	67, 125, 000	43, 900, 000	- 8, 777, 000	- 23, 225, 000

¹ Includes \$650,000 derived by transfer pursuant to Second Supplemental Appropriation Act, 1955.

² Includes \$8,900,000 contained in Second Supplemental Appropriation Act, 1955.

Comparative statement of appropriations for 1955 and estimates and amounts recommended in bill for 1956—Continued

TITLE I—DEPARTMENT OF COMMERCE—Continued

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 appropriations	1956 estimates
COAST AND GEODETIC SURVEY					
Salaries and expenses-----	\$10, 200, 000	\$10, 400, 000	\$10, 200, 000	-----	-\$200, 000
BUSINESS AND DEFENSE SERVICES ADMINISTRATION					
Salaries and expenses-----	6, 320, 000	³ 7, 300, 000	6, 198, 000	-\$122, 000	-1, 102, 000
BUREAU OF FOREIGN COMMERCE					
Salaries and expenses-----	2, 000, 000	2, 200, 000	1, 800, 000	-200, 000	-400, 000
Export control-----	⁴ 3, 481, 000	3, 000, 000	2, 500, 000	-981, 000	-500, 000
Total, Bureau of Foreign Commerce-	5, 481, 000	5, 200, 000	4, 300, 000	-1, 181, 000	-900, 000
OFFICE OF BUSINESS ECONOMICS					
Salaries and expenses-----	900, 000	1, 000, 000	975, 000	+75, 000	-25, 000
MARITIME ACTIVITIES					
Ship construction-----	82, 600, 000	102, 800, 000	64, 700, 000	-17, 900, 000	-38, 100, 000
Operating-differential subsidies-----	⁵ 115, 000, 000	115, 000, 000	90, 000, 000	-25, 000, 000	-25, 000, 000
Salaries and expenses-----	⁶ 13, 900, 000	15, 100, 000	14, 000, 000	+100, 000	-1, 100, 000
Maritime training-----	2, 200, 000	2, 085, 000	2, 085, 000	-115, 000	-----

Repair of reserve-fleet facilities-----	7 970, 000	-----	-----	-----	-----	-----
Repair of reserve-fleet vessels (liquidation of contract authorization)-----	12, 000, 000	6, 000, 000	6, 000, 000	-----	-----	-----
War Shipping Administration liquidation-----	(8)	(9)	(9)	-----	-----	-----
State marine schools-----	10 610, 000	-----	660, 000	+50, 000	+660, 000	-----
Ship mortgage-foreclosure or forfeiture contingencies-----	11 2, 019, 000	-----	-----	-----	-----	-----
Total, maritime activities-----	229, 299, 000	240, 985, 000	177, 445, 000	-51, 854, 000	-63, 540, 000	-----
INLAND WATERWAYS CORPORATION						
Administrative expense limitation-----	(14, 000)	(14, 000)	-----	(-14, 000)	(-14, 000)	-----
PATENT OFFICE						
Salaries and expenses-----	11, 500, 000	12, 000, 000	14, 000, 000	+2, 500, 000	+2, 000, 000	-----
BUREAU OF PUBLIC ROADS						
Federal-aid highways-----	12 595, 000, 000	680, 000, 000	600, 000, 000	+5, 000, 000	-80, 000, 000	-----
Forest highways-----	13 18, 500, 000	25, 000, 000	18, 500, 000	-----	-6, 500, 000	-----

³ Includes \$250,000 contained in H. Doc. No. 126.
⁴ Excludes \$119,000 transferred to other appropriations pursuant to Second Supplemental Appropriation Act, 1955.
⁵ Includes \$50,000,000 contained in Second Supplemental Appropriation Act, 1955.
⁶ Includes \$400,000 contained in Second Supplemental Appropriation Act, 1955.
⁷ Contained in Second Supplemental Appropriation Act, 1955.
⁸ Not to exceed \$6,000,000 of unexpended balance continued available.
⁹ Not to exceed \$5,900,000 of unexpended balance to be continued available.
¹⁰ Excludes \$50,000 transferred to other appropriations pursuant to Second Supplemental Appropriation Act, 1955.
¹¹ Excludes \$481,000 transferred to other appropriations pursuant to Second Supplemental Appropriation Act, 1955.
¹² Includes \$95,000,000 contained in Second Supplemental Appropriation Act, 1955.
¹³ Includes \$3,500,000 contained in Second Supplemental Appropriation Act, 1955.

Comparative statement of appropriations for 1955 and estimates and amounts recommended in bill for 1956—Continued

TITLE I—DEPARTMENT OF COMMERCE—Continued

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 appropriations	1956 estimates
BUREAU OF PUBLIC ROADS—continued					
Inter-American Highway-----	\$5, 750, 000	¹⁴ \$74, 980, 000	\$8, 000, 000	+\$2, 250, 000	—\$66, 980, 000
Public lands highways (liquidation of con- tract authorization)-----	¹⁵ 875, 000	2, 000, 000	2, 000, 000	+1, 125, 000	-----
Reimbursement to the highway fund, District of Columbia-----	290, 000	-----	-----	—290, 000	-----
Total, Bureau of Roads-----	620, 415, 000	781, 980, 000	628, 500, 000	+8, 085, 000	—153, 480, 000
NATIONAL BUREAU OF STANDARDS					
Expenses-----	-----	7, 750, 000	7, 000, 000	+7, 000, 000	—750, 000
Plant and equipment-----	-----	¹⁶ 1, 015, 000	995, 000	+995, 000	—20, 000
Operation and administration-----	1, 000, 000	-----	-----	—1, 000, 000	-----
Research and testing-----	3, 150, 000	-----	-----	—3, 150, 000	-----
Radio propagation and standards-----	2, 100, 000	-----	-----	—2, 100, 000	-----
Construction of laboratories (liquidation of contract authorization)-----	115, 000	-----	-----	—115, 000	-----
Total, National Bureau of Stand- ards-----	6, 365, 000	8, 765, 000	7, 995, 000	+1, 630, 000	—770, 000

WEATHER BUREAU					
Salaries and expenses-----	17 24, 940, 000	27, 850, 000	27, 650, 000	+ 2, 710, 000	- 200, 000
Establishment of meteorological facilities-----	-----	5, 000, 000	5, 000, 000	+ 5, 000, 000	-----
Total, Weather Bureau-----	24, 940, 000	32, 850, 000	32, 650, 000	+ 7, 710, 000	- 200, 000
Total, title I-----	1, 130, 632, 746	1, 347, 800, 000	1, 103, 560, 000	--27, 072, 746	- 244, 240, 000

TITLE II--THE CANAL ZONE

CANAL ZONE GOVERNMENT					
Operating expenses-----	18 \$14, 018, 000	\$15, 017, 000	\$14, 500, 000	+ \$482, 000	--\$517, 000
Capital outlay-----	1, 415, 000	1, 881, 000	1, 800, 000	+ 385, 000	--81, 000
Total, Canal Zone Government-----	15, 433, 000	16, 898, 000	16, 300, 000	+ 867, 000	--598, 000
PANAMA CANAL COMPANY					
Administrative expense, limitation-----	(3, 589, 000)	(3, 850, 000)	(3, 589, 000)	-----	(-261, 000)
Total, title II-----	15, 433, 000	16, 898, 000	16, 300, 000	+ 867, 000	--598, 000

14 Includes \$69,280,000 contained in H. Doc. No. 126.
15 Contained in Second Supplemental Appropriation Act, 1955.
16 Includes \$765,000 contained in H. Doc. No. 126.
17 Includes \$190,000 derived by transfer pursuant to Second Supplemental Appropriation Act, 1955.
18 Includes \$230,000 contained in Second Supplemental Appropriation Act, 1955.

Comparative statement of appropriations for 1955 and estimates and amounts recommended in bill for 1956—Continued

TITLE III—INDEPENDENT AGENCIES

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in bill for 1956	Bill compared with—	
				1955 appropriations	1956 estimates
Advisory Committee on Weather Control--	\$120, 000	\$295, 000	\$175, 000	+ \$55, 000	— \$120, 000
St. Lawrence Seaway Development Corpora- tion (Administrative expense limitation)--	(250, 000)	(250, 000)	(280, 000)	+ (30, 000)	-----
Tariff Commission-----	1, 327, 000	1, 400, 000	1, 400, 000	+ 73, 000	-----
Total, title III-----	1, 447, 000	1, 695, 000	1, 575, 000	+ 128, 000	— 120, 000
Grand total, titles I, II, and III----	1, 147, 512, 746	1, 366, 393, 000	1, 121, 435, 000	— 26, 077, 746	— 244, 958, 000

○

Union Calendar No. 166

84TH CONGRESS
1ST SESSION

H. R. 6367

[Report No. 603]

IN THE HOUSE OF REPRESENTATIVES

MAY 19, 1955

Mr. PRESTON, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the following sums are appropriated, out of any money
- 4 in the Treasury not otherwise appropriated, for the Depart-
- 5 ment of Commerce and related agencies for the fiscal year
- 6 ending June 30, 1956, namely:

1 TITLE I—DEPARTMENT OF COMMERCE

2 OFFICE OF THE SECRETARY

3 Salaries and expenses: For necessary expenses of the
4 Office of the Secretary of Commerce (hereafter in this title
5 referred to as the Secretary), including teletype news serv-
6 ice (not exceeding \$1,000) ; \$2,172,000.

7 BUREAU OF THE CENSUS

8 Salaries and expenses: For expenses necessary for col-
9 lecting, compiling, and publishing current census statistics
10 provided for by law; and for general administration, includ-
11 ing enumerators at rates to be fixed without regard to the
12 Classification Act of 1949, as amended; \$6,200,000.

13 Census of agriculture: For expenses necessary for taking,
14 compiling, and publishing the 1954 Census of Agriculture, as
15 authorized by law, including personal services by contract
16 or otherwise at rates to be fixed by the Secretary of Com-
17 merce without regard to the Classification Act of 1949, as
18 amended; and additional compensation of Federal employees
19 temporarily detailed for field work under this appropria-
20 tion; \$5,500,000, to remain available until December 31,
21 1956.

22 Censuses of business, manufactures, and mineral indus-
23 tries: For expenses necessary for taking, compiling, and
24 publishing the censuses of business, manufactures, and
25 mineral industries as authorized by law, including personal

1 services by contract or otherwise at rates to be fixed by the
2 Secretary of Commerce without regard to the Classification
3 Act of 1949, as amended; and additional compensation of
4 Federal employees temporarily detailed for field work under
5 this appropriation; \$4,000,000, to remain available until
6 December 31, 1957.

7 CIVIL AERONAUTICS ADMINISTRATION

8 Operation and regulation: For necessary expenses of the
9 Civil Aeronautics Administration in carrying out the pro-
10 visions of the Civil Aeronautics Act of 1938, as amended
11 (49 U. S. C. 401), and other Acts incident to the enforce-
12 ment of safety regulations, maintenance and operation of
13 air-navigation and air-traffic control facilities, and disposal
14 of surplus airports and administering instruments of disposal;
15 planning, research, and administrative expenses for carrying
16 out the provisions of the Federal Airport Act of May 13,
17 1946, as amended, including furnishing advisory services to
18 States and other public and private agencies in connection
19 with the construction or improvement of airports and landing
20 areas; developmental work and service-testing as tends to the
21 creation of improved air-navigation facilities, including
22 landing areas, aircraft, aircraft engines, propellers, appli-
23 ances, personnel, and operation methods, and acquisition
24 of sites for such activities by lease, or grant; purchase of
25 not to exceed sixty-five passenger motor vehicles for replace-

1 ment only; hire of aircraft (not exceeding \$370,000) ; opera-
2 tion and maintenance of not to exceed eighty-five aircraft;
3 fees and mileage of expert and other witnesses; and purchase
4 and repair of skis and snowshoes; \$103,000,000: *Provided*,
5 That there may be credited to this appropriation, funds
6 received from States, counties, municipalities, and other
7 public authorities for expenses incurred in the maintenance
8 and operation of air-navigation facilities.

9 Establishment of air-navigation facilities: For an addi-
10 tional amount for the acquisition, establishment, and im-
11 provement by contract or purchase and hire of air-navigation
12 facilities, including the initial acquisition of necessary sites
13 by lease or grant; the construction and furnishing of quarters
14 and related accommodations for officers and employees of the
15 Civil Aeronautics Administration and the Weather Bureau
16 stationed at remote localities not on foreign soil where such
17 accommodations are not available; the initial flight checking
18 of air-navigation facilities and the transportation by air to
19 and from and within the Territories of the United States
20 of materials and equipment secured under this appropriation;
21 \$18,500,000, to remain available until expended.

22 Establishment of air-navigation facilities (liquidation
23 of contract authorization): For liquidation of obligations

1 incurred under authority heretofore granted under this head
2 to enter into contracts, \$7,000,000.

3 Grants-in-aid for airports: For project grants author-
4 ized by the Federal Airport Act, as amended, to remain
5 available until June 30, 1958, \$20,000,000, of which (1)
6 \$19,650,000 shall be for projects in the States in accordance
7 with section 6 of said Act, (2) \$100,000 for projects in
8 Puerto Rico, (3) \$50,000 for projects in the Virgin Islands,
9 (4) \$100,000 for projects in the Territory of Hawaii, and
10 (5) \$100,000 for projects in the Territory of Alaska: *Pro-*
11 *vided*, That the unexpended balances of appropriations
12 previously made under the head "Federal-aid airport pro-
13 gram, Federal Airport Act," shall hereafter be merged with
14 and accounted for under this head.

15 Federal-aid airport program, Federal Airport Act
16 (liquidation of contract authorization) : For liquidation of
17 obligations incurred under authority heretofore granted
18 under this head to enter into contracts, \$7,500,000.

19 Maintenance and operation, Washington National Air-
20 port: For expenses incident to the care, operation, main-
21 tenance and protection of the Washington National Airport,
22 including purchase of one passenger motor vehicle for
23 replacement only; purchase, cleaning, and repair of uniforms;
24 and arms and ammunition; \$1,350,000.

1 Construction, Washington National Airport: For an addi-
 2 tional amount for "Construction, Washington National Air-
 3 port", including construction, alterations, and repairs,
 4 \$525,000, to remain available until expended.

5 Maintenance and operation of public airports, Territory
 6 of Alaska: For expenses necessary for the maintenance,
 7 improvement, and operation of public airports in the Terri-
 8 tory of Alaska, as authorized by law (48 U. S. C. 485 c-h) ;
 9 including arms and ammunition; and purchase, repair, and
 10 cleaning of uniforms; \$600,000.

11 Air navigation development: For expenses necessary
 12 for planning and developing a national system of aids to
 13 air navigation and air traffic control common to military and
 14 civil air navigation, including research, experimental investi-
 15 gations, purchase and development, by contract or otherwise,
 16 of new types of air navigation aids (including plans, specifi-
 17 cations, and drawings) ; hire of aircraft; acquisition of neces-
 18 sary sites by lease or grant; payments in advance under
 19 contracts for research or development work; and not to
 20 exceed \$50,000 for administrative expenses; \$1,050,000.

21 CIVIL AERONAUTICS BOARD

22 Salaries and expenses: For necessary expenses of the
 23 Civil Aeronautics Board, including contract stenographic
 24 reporting services; employment of temporary guards on a
 25 contract or fee basis; salaries and traveling expenses of

1 employees detailed to attend courses of training conducted
2 by the Government or industries serving aviation; purchase
3 (not to exceed two for replacement only) of passenger
4 motor vehicles; and hire, operation, maintenance, and re-
5 pair of aircraft; \$3,900,000.

6 Payments to air carriers: For payments to air carriers
7 of so much of the compensation fixed and determined by
8 the Civil Aeronautics Board under section 406 of the Civil
9 Aeronautics Act of 1938, as amended (49 U. S. C. 486),
10 as is payable by the Civil Aeronautics Board pursuant to
11 Reorganization Plan No. 10 of 1953; \$40,000,000, to re-
12 main available until expended.

13 COAST AND GEODETIC SURVEY

14 Salaries and expenses: For expenses necessary to carry
15 out the provisions of the Act of August 6, 1947 (33 U. S. C.
16 883a-883i), including purchase of not to exceed three passen-
17 ger motor vehicles for replacement only; uniforms or allow-
18 ances therefor, as authorized by the Act of September 1,
19 1954 (68 Stat. 1114); lease of sites and the erection of
20 temporary buildings for tide, magnetic or seismological
21 observations; hire of aircraft; operation, maintenance, and
22 repair of an airplane; extra compensation at not to exceed
23 \$15 per month to each member of the crew of a vessel when
24 assigned duties as recorder or instrument observer, and at not
25 to exceed \$1 per day for each station to employees of other

1 Federal agencies while making oceanographic observations
2 or tending seismographs; pay, allowances, gratuities, trans-
3 portation of dependents and household effects, and payment
4 of funeral expenses, as authorized by law, for not to exceed
5 185 commissioned officers on the active list; payments under
6 the Uniform Services Contingency Option Act of 1953; and
7 pay of commissioned officers retired in accordance with law;
8 \$10,200,000: *Provided*, That during the current fiscal year,
9 this appropriation shall be reimbursed for press costs and
10 costs of paper for charts published by the Coast and Geodetic
11 Survey and furnished for the official use of the military
12 departments of the Department of Defense.

13 BUSINESS AND DEFENSE SERVICES ADMINISTRATION

14 Salaries and expenses: For necessary expenses of the
15 Business and Defense Services Administration, including
16 transportation and not to exceed \$15 per diem in lieu of
17 subsistence for persons serving without compensation while
18 away from their homes or regular places of business,
19 \$6,198,000.

20 BUREAU OF FOREIGN COMMERCE

21 Salaries and expenses: For necessary expenses of the
22 Bureau of Foreign Commerce, including the purchase of
23 commercial and trade reports; \$1,800,000.

24 Export control: For expenses necessary for carrying
25 out the provisions of the Export Control Act of 1949, as

1 amended, relating to export controls, including awards of
 2 compensation to informers under said Act and as authorized
 3 by the Act of August 13, 1953 (22 U. S. C. 401),
 4 \$2,500,000, of which not to exceed \$800,000 may be ad-
 5 vanced to the Bureau of Customs, Treasury Department,
 6 for enforcement of the export control program, and of
 7 which not to exceed \$75,000 may be advanced to the
 8 appropriation for "Salaries and expenses" under the Office
 9 of the Secretary.

10 OFFICE OF BUSINESS ECONOMICS

11 Salaries and expenses: For necessary expenses of the
 12 Office of Business Economics, \$975,000.

13 MARITIME ACTIVITIES

14 Ship construction: For payment of construction-differen-
 15 tial subsidy and cost of national-defense features incident to
 16 construction of two passenger-cargo ships and not to exceed
 17 five cargo ships for replacement, and for payment of con-
 18 struction-differential subsidy and cost of national-defense
 19 features incident to the reconstruction and reconditioning of
 20 ships under title V of the Merchant Marine Act, 1936, as
 21 amended (46 U. S. C. 1154) ; for reconditioning and better-
 22 ment of one ship in the national-defense reserve fleet; for
 23 necessary expenses for the acquisition of used cargo ships
 24 and tankers pursuant to section 510 of the Merchant Marine
 25 Act, 1936, as amended (46 U. S. C. 1160), and the

1 payment of cost of national-defense features incorporated in
2 new tankers constructed to replace such used tankers; and for
3 research, development, and design expenses incident to new
4 and advanced ship design, machinery, and equipment;
5 \$64,700,000, to remain available until expended: *Provided*,
6 That transfers may be made to the appropriation for the
7 current fiscal year for "Salaries and expenses" for adminis-
8 trative and warehouse expenses (not to exceed \$900,000)
9 and for reserve fleet expenses in such amounts as may be
10 required, and any such transfers shall be without regard to
11 the limitations under that appropriation on the amounts
12 available for such expenses: *Provided further*, That appro-
13 priations granted herein shall be available to pay construction-
14 differential subsidy granted by the Federal Maritime Board,
15 pursuant to section 501 (c) of the Merchant Marine Act,
16 1936, as amended, to aid in the reconstruction of any
17 Mariner-class ships sold under the provisions of title VII of
18 the 1936 Act: *Provided further*, That all ship construction,
19 reconditioning and betterment of vessels appropriated for
20 herein, shall be performed in shipyards in the continental
21 United States: *Provided further*, That no funds contained
22 in this Act may be used to commence construction, recon-
23 struction, conversion, reconditioning or betterment of any
24 vessel until the total Federal funds required to complete
25 such work have been appropriated.

1 Operating-differential subsidies: For the payment of
2 obligations incurred for operating-differential subsidies
3 granted on or after January 1, 1947, as authorized by the
4 Merchant Marine Act, 1936, as amended, and in appropria-
5 tions heretofore made to the United States Maritime Com-
6 mission, \$90,000,000, to remain available until expended:
7 *Provided*, That to the extent that the operating-differential
8 subsidy accrual (computed on the basis of parity) is repre-
9 sented on the operator's books by a contingent accounts
10 receivable item against the United States as a partial or
11 complete offset to the recapture accrual, the operator (1)
12 shall be excused from making deposits in the special re-
13 serve fund, and (2) as to the amount of such earnings
14 the deposit of which is so excused shall be entitled to
15 the same tax treatment as though it had been deposited
16 in said special reserve fund. To the extent that any amount
17 paid to the operator by the United States reduces the bal-
18 ance in the operator's contingent receivable account against
19 the United States, such amount shall forthwith be deposited
20 in the special reserve fund of the operator: *Provided further*,
21 That no contracts shall be executed during the current fiscal
22 year by the Federal Maritime Board which will obligate
23 the Government to pay operating differential subsidy on
24 more than eighteen hundred and forty-seven voyages in any
25 one calendar year, including voyages covered by contracts

1 in effect at the beginning of the current fiscal year, of which
2 not less than one hundred and twelve shall be for operators
3 who have not held contracts prior to July 1, 1955.

4 Salaries and expenses: For expenses necessary for
5 carrying into effect the Merchant Marine Act, 1936, and
6 other laws administered by the Federal Maritime Board
7 and the Maritime Administration, \$14,000,000, within
8 limitations as follows:

9 Administrative expenses, including not to exceed
10 \$1,125 for entertainment of officials of other countries when
11 specifically authorized by the Maritime Administrator; and
12 ship structure research, testing and models; \$5,955,000;

13 Maintenance of shipyard facilities and operation of
14 warehouses, \$1,085,000;

15 Reserve fleet expenses, \$6,960,000.

16 Maritime training: For training cadets as officers of the
17 merchant marine at the Merchant Marine Academy at Kings
18 Point, New York, including pay and allowances for person-
19 nel of the United States Maritime Service as authorized by
20 law (46 U. S. C. 1126, 63 Stat. 802, 64 Stat. 794, and 66
21 Stat. 79) ; not to exceed \$2,500 for contingencies for the
22 Superintendent, United States Merchant Marine Academy,
23 to be expended in his discretion; purchase of one passenger
24 motor vehicle for replacement only; and not to exceed
25 \$30,000 for transfer to applicable appropriations of the Pub-

1 lic Health Service for services rendered the Maritime Admin-
2 istration; \$2,085,000, including uniform and textbook
3 allowances for cadet midshipmen, at an average yearly cost
4 of not to exceed \$200 per cadet: *Provided*, That except as
5 herein provided for uniform and textbook allowances this
6 appropriation shall not be used for compensation or allow-
7 ances for cadets.

8 State marine schools: To reimburse the State of Cali-
9 fornia, \$47,500; the State of Maine, \$47,500; the State of
10 Massachusetts, \$47,500; and the State of New York, \$47,-
11 500; for expenses incurred in the maintenance and support of
12 marine schools in such States as provided in the Act author-
13 izing the establishment of marine schools, and so forth, ap-
14 proved March 4, 1911, as amended (34 U. S. C. 1121-
15 1123) ; \$149,800 for the maintenance and repair of vessels
16 loaned by the United States to the said States for use in
17 connection with such State marine schools; and \$320,200
18 for allowances for uniforms, textbooks, and subsistence of
19 cadets at State marine schools, to be paid in accordance with
20 regulations established pursuant to law (46 U. S. C. 1126
21 (b)) ; \$660,000.

22 Repair of reserve fleet vessels (liquidation of contract
23 authorization) : For the payment of obligations incurred
24 pursuant to authority granted under the "Emergency Ship
25 Repair Act of 1954", \$6,000,000: *Provided*, That advances

1 may be made from this appropriation to "Salaries and ex-
2 penses, maritime activities", for administrative expenses
3 (not to exceed \$150,000), and for reserve fleet expenses
4 (in such amounts as may be required), and such advances
5 shall be in addition to amounts otherwise made available for
6 such expenses.

7 War Shipping Administration liquidation: Not to ex-
8 ceed \$5,900,000 of the unexpended balance of the appro-
9 priation to the Secretary of the Treasury in the Second
10 Supplemental Appropriation Act, 1948, for liquidation of
11 obligations approved by the General Accounting Office as
12 properly incurred against funds of the War Shipping Admin-
13 istration prior to January 1, 1947, is hereby continued avail-
14 able during the current fiscal year, and shall be available
15 for the payment of obligations incurred against the working
16 fund titled: "Working fund, Commerce, War Shipping
17 Administration functions, December 31, 1946".

18 No additional vessels shall be allocated under charter,
19 nor shall any vessel be continued under charter by reason
20 of any extension of chartering authority beyond June 30,
21 1949, unless the charterer shall agree that the Maritime
22 Administration shall have no obligation upon redelivery to
23 accept or pay for consumable stores, bunkers and slop-chest
24 items, except with respect to such minimum amounts of
25 bunkers as the Maritime Administration considers advisable

1 to be retained on the vessel and that prior to such redelivery
2 all consumable stores, slop-chest items and bunkers over
3 and above such minimums shall be removed from the vessel
4 by the charterer at his own expense.

5 No money made available to the Department of Com-
6 merce, for maritime activities, by this or any other Act shall
7 be used in payment for a vessel the title to which is acquired
8 by the Government either by requisition or purchase, or
9 the use of which is taken either by requisition or agreement,
10 or which is insured by the Government and lost while so
11 insured, unless the price or hire to be paid therefor (except
12 in cases where section 802 of the Merchant Marine Act,
13 1936, as amended, is applicable) is computed in accordance
14 with subsection 902 (a) of said Act, as that subsection is
15 interpreted by the General Accounting Office.

16 Notwithstanding any other provision of this Act, the
17 Maritime Administration is authorized to furnish utilities and
18 services and make necessary repairs in connection with any
19 lease, contract, or occupancy involving Government property
20 under control of the Maritime Administration, and payments
21 received by the Maritime Administration for utilities, serv-
22 ices, and repairs so furnished or made shall be credited to
23 the appropriation charged with the cost thereof: *Provided,*
24 That rental payments under any such lease, contract, or
25 occupancy on account of items other than such utilities,

1 services, or repairs shall be covered into the Treasury as
2 miscellaneous receipts.

3 No obligations shall be incurred during the current fis-
4 cal year from the construction fund established by the Mer-
5 chant Marine Act, 1936, or otherwise, in excess of the
6 appropriations and limitations contained in this Act, or in
7 any prior appropriation Act, and all receipts which other-
8 wise would be deposited to the credit of said fund shall be
9 covered into the Treasury as miscellaneous receipts.

10 PATENT OFFICE

11 Salaries and expenses: For necessary expenses of the
12 Patent Office, including services as authorized by section 15
13 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates for
14 individuals not to exceed \$75 per diem (not to exceed
15 \$25,000) ; and defense of suits instituted against the Commis-
16 sioner of Patents; \$14,000,000.

17 BUREAU OF PUBLIC ROADS

18 General administrative expenses: Necessary expenses
19 of administration, including advertising (including adver-
20 tising in the city of Washington for work to be performed
21 in areas adjacent thereto), purchase of seventy-five passenger
22 motor vehicles for replacement only, and the maintenance
23 and repairs of experimental highways, shall be paid, in
24 accordance with law, from appropriations available to the
25 Bureau of Public Roads.

1 Of the total amount available from appropriations of the
2 Bureau of Public Roads for general administrative expenses,
3 pursuant to the provisions of section 21 of the Act of
4 November 9, 1921, as amended (23 U. S. C. 21), \$100,000
5 shall be available for all necessary expenses to enable the
6 President to utilize the services of the Bureau of Public
7 Roads in fulfilling the obligations of the United States under
8 the Convention on the Pan-American Highway Between
9 the United States and Other American Republics (51 Stat.
10 152), cooperation with several governments, members of the
11 Pan American Union, in connection with the survey and
12 construction of the Inter-American Highway, and for per-
13 forming engineering service in Pan-American countries for
14 and upon the request of any agency or governmental corpo-
15 ration of the United States.

16 Federal-aid highways: For carrying out the provisions
17 of the Act of July 11, 1916, as amended and supplemented
18 (23 U. S. C. 1-22, 24-105, 107-117), to remain available
19 until expended, \$600,000,000, which sum is composed of
20 \$343,500,000, the balance of the amount authorized to
21 be appropriated for the fiscal year 1954, \$248,500,000,
22 a part of the amount authorized to be appropriated for the
23 fiscal year 1955, and \$163,336, \$75,915, \$1,695,797, and
24 \$1,401,457, the latter sums being for reimbursement of the
25 sums expended for the repair or reconstruction of highways

1 and bridges which have been damaged or destroyed by floods,
2 hurricanes, or landslides, as provided by section 4 of the Act
3 approved June 8, 1938, section 7 of the Act approved July
4 13, 1943, and section 9 of the Act approved September 7,
5 1950, as amended (23 U. S. C. 13a and 13b) and section
6 7 of the Act approved June 25, 1952, and \$4,663,495 for
7 reimbursement of the sums expended for the design and
8 construction of highway bridges upon and across dams in
9 accordance with the Act of July 29, 1946 (60 Stat. 709).

10 Forest highways: For expenses, not otherwise provided
11 for, necessary for carrying out the provisions of section 23
12 of the Federal Highway Act of November 9, 1921, as
13 amended (23 U. S. C. 23, 23a), to remain available until
14 expended, \$18,500,000, a part of the amount authorized
15 to be appropriated for the fiscal year 1955: *Provided*, That
16 this appropriation shall be available for the rental, pur-
17 chase, construction, or alteration of buildings and sites nec-
18 essary for the storage and repair of equipment and sup-
19 plies used for road construction and maintenance, but the
20 total cost of any such item under this authorization shall
21 not exceed \$15,000.

22 Inter-American Highway: For necessary expenses of
23 continuing the survey and construction of the Inter-Ameri-
24 can Highway, in accordance with the provisions of the Act
25 of December 26, 1941 (55 Stat. 860), as amended by sec-

tion 6 of the Federal-Aid Highway Act of 1952 (66 Stat. 158), \$8,000,000, to remain available until expended.

Public lands highways (liquidation of contract authorization) : For payment of obligations incurred pursuant to the contract authorization granted by section 6 of the Federal-Aid Highway Act of 1954 (68 Stat. 73), to remain available until expended, \$2,000,000, which sum is composed of \$1,625,000, the remainder of the amount authorized for fiscal year 1955, and \$375,000, a part of the amount authorized for fiscal year 1956.

General provisions—Bureau of Public Roads: None of the money appropriated for the work of the Bureau of Public Roads during the current fiscal year shall be paid to any State on account of any project on which convict labor shall be employed, but this provision shall not apply to labor performed by convicts on parole or probation.

During the current fiscal year authorized engineering or other services in connection with the survey, construction, and maintenance, or improvement of roads may be performed for other Government agencies, cooperating foreign countries, and State cooperating agencies, and reimbursement for such services (which may include depreciation on engineering and road-building equipment used) shall be credited to the appropriation concerned.

1 During the current fiscal year appropriations for the
2 work of the Bureau of Public Roads shall be available for
3 expenses of warehouse maintenance and the procurement,
4 care, and handling of supplies, materials, and equipment for
5 distribution to projects under the supervision of the Bureau
6 of Public Roads, or for sale or distribution to other Govern-
7 ment activities, cooperating foreign countries, and State
8 cooperating agencies, and the cost of such supplies and mate-
9 rials or the value of such equipment (including the cost of
10 transportation and handling) may be reimbursed to current
11 applicable appropriations.

12 Appropriations to the Bureau of Public Roads may be
13 used in emergency for medical supplies and services and
14 other assistance necessary for the immediate relief of em-
15 ployees engaged on hazardous work under that Bureau, and
16 for temporary services as authorized by section 15 of the
17 Act of August 2, 1946 (5 U. S. C. 55a), but at rates for
18 individuals not in excess of \$100 per diem.

19 REDUCTIONS IN CONTRACT AUTHORIZATIONS

20 Bureau of Public Roads: The unobligated balances of
21 contract authorizations provided in section 4 of the Act ap-
22 proved June 8, 1938 (52 Stat. 634), and section 9 of the
23 Act approved September 7, 1950 (64 Stat. 789), as

1 amended by the Act approved October 15, 1951 (65 Stat.
2 421), are hereby canceled.

3 The authorization in section 3 of the Federal-Aid High-
4 way Act of 1952 for forest highways for the fiscal year
5 ending June 30, 1954, is hereby reduced by the sum of
6 \$15,900,000.

7 NATIONAL BUREAU OF STANDARDS

8 Expenses: For expenses necessary in performing the
9 functions authorized by the Act of March 3, 1901, as
10 amended (15 U. S. C. 271-278c), including general admin-
11 istration; operation, maintenance, alteration, and protection
12 of grounds and facilities; and improvement and construction
13 of temporary or special facilities as authorized by section 2
14 of the Act of July 21, 1950 (15 U. S. C. 286); \$7,000,000:
15 *Provided*, That during the current fiscal year the maximum
16 base rate of compensation for employees appointed pursuant
17 to the Act of July 21, 1950 (15 U. S. C. 285), shall be
18 equivalent to the entrance rate of GS-12.

19 Plant and equipment: For construction of a pilot elec-
20 tronic data-processing device to be used in the performance
21 of functions authorized by the Act of March 3, 1901, as
22 amended (15 U. S. C. 271-278c); repair of mechanical
23 facilities; and expenses incurred, as authorized by section 2
24 of the Act of July 21, 1950 (15 U. S. C. 286), in the

1 construction or improvement of buildings, grounds, and other
2 facilities; \$995,000, to remain available until expended.

3 WEATHER BUREAU

4 Salaries and expenses: For expenses necessary for the
5 Weather Bureau, including maintenance and operation of air-
6 craft; purchase of five passenger motor vehicles for replace-
7 ment only; not to exceed \$25,000 for services as authorized
8 by section 15 of the Act of August 2, 1946 (5 U. S. C.
9 55a) ; and not to exceed \$10,000 for maintenance of a print-
10 ing office in the city of Washington, as authorized by law;
11 \$27,650,000: *Provided*, That during the current fiscal year,
12 the maximum amount authorized under section 3 (a) of the
13 Act of June 2, 1948 (15 U. S. C. 327) , for extra compen-
14 sation to employees of other Government agencies for taking
15 and transmitting meteorological observations, shall be \$5
16 per day; and the maximum base rate of pay authorized under
17 section 3 (b) of said Act, for employees conducting meteor-
18 ological investigations in the Arctic region, shall be \$6,000
19 per annum, except that not more than five of such employees
20 at any one time may receive a base rate of \$8,500 per annum,
21 and such employees may be appointed without regard to the
22 Classification Act of 1949.

23 Establishment of meteorological facilities: For the
24 acquisition, establishment, and relocation of meteorological
25 observing facilities and related equipment, including the

1 alteration and modernization of existing facilities;
2 \$5,000,000, to remain available until June 30, 1959.

3 GENERAL PROVISIONS—DEPARTMENT OF COMMERCE

4 SEC. 102. During the current fiscal year applicable ap-
5 propriations and funds available to the Department of Com-
6 merce shall be available for the activities specified in the
7 Act of October 26, 1949 (5 U. S. C. 596a), to the extent
8 and in the manner prescribed by said Act.

9 SEC. 103. Appropriations in this title available for sal-
10 aries and expenses shall be available for expenses of attend-
11 ance at meetings of organizations concerned with the activi-
12 ties for which the appropriations are made; hire of passen-
13 ger motor vehicles; and services as authorized by section 15
14 of the Act of August 2, 1946 (5 U. S. C. 55a), but, unless
15 otherwise specified, at rates for individuals not to exceed
16 \$50 per diem.

17 TITLE II—THE PANAMA CANAL

18 CANAL ZONE GOVERNMENT

19 Operating expenses: For operating expenses necessary
20 for the Canal Zone Government, including operation of the
21 Postal Service of the Canal Zone; hire of passenger motor
22 vehicles; uniforms or allowances therefor, as authorized by
23 the Act of September 1, 1954 (68 Stat. 1114); expenses
24 incident to conducting hearings on the Isthmus; expenses

1 of attendance at meetings, when authorized by the Governor
2 of the Canal Zone, of organizations concerned with activities
3 pertaining to the Canal Zone Government; expenses of
4 special training of employees of the Canal Zone Govern-
5 ment as authorized by law (63 Stat. 602) ; contingencies
6 of the Governor; residence for the Governor; medical aid
7 and support of the insane and of lepers and aid and support
8 of indigent persons legally within the Canal Zone, includ-
9 ing expenses of their deportation when practicable; and
10 payments of not to exceed \$50 in any one case to persons
11 within the Government service who shall furnish blood for
12 transfusions; \$14,500,000.

13 Capital outlay: For acquisition of land and land under
14 water and acquisition, construction, and replacement of im-
15 provements, facilities, structures, and equipment, as author-
16 ized by law (63 Stat. 600 and 48 U. S. C. 1302) , including
17 the purchase of not to exceed six passenger motor
18 vehicles (for replacement only) ; and expenses incident to
19 the retirement of such assets; \$1,800,000, to remain avail-
20 able until expended.

21 PANAMA CANAL COMPANY

22 The following corporation is hereby authorized to make
23 such expenditures, within the limits of funds and borrowing
24 authority available to it and in accord with law, and to
25 make such contracts and commitments without regard to

1 fiscal year limitations as provided by section 104 of the
2 Government Corporation Control Act, as may be necessary
3 in carrying out the programs set forth in the Budget for
4 the fiscal year 1956 for such corporation, except as here-
5 inafter provided:

6 Not to exceed \$3,589,000 of the funds available
7 to the Panama Canal Company shall be available dur-
8 ing the current fiscal year for general and administrative
9 expenses of the Company, which shall be computed on an
10 accrual basis: *Provided*, That as used herein, the term “gen-
11 eral and administrative expenses” shall not be construed to
12 include expenses otherwise classified in the preceding fiscal
13 year: *Provided further*, That funds available for operating
14 expenses shall be available for the purchase of not to exceed
15 ten passenger motor vehicles (for replacement only), and
16 for uniforms or allowances therefor, as authorized by the
17 Act of September 1, 1954 (68 Stat. 1114).

18 GENERAL PROVISIONS—THE PANAMA CANAL

19 SEC. 202. No part of any appropriation contained in this
20 Act shall be used directly or indirectly, except for tem-
21 porary employment in case of emergency, for the payment
22 of any civilian for services rendered by him on the Canal
23 Zone while occupying a skilled, technical, clerical, admin-
24 istrative, executive, or supervisory position unless such person
25 is a citizen of the United States of America or of the

1 Republic of Panama: *Provided, however,* (1) That, not-
2 withstanding the provision in the Act approved August 11,
3 1939 (53 Stat. 1409) limiting employment in the above-
4 mentioned positions to citizens of the United States from
5 and after the date of approval of said Act, citizens of Panama
6 may be employed in such positions; (2) that at no time shall
7 the number of Panamanian citizens employed in the above-
8 mentioned positions exceed the number of citizens of the
9 United States so employed, if United States citizens are
10 available in continental United States or on the Canal Zone;
11 (3) that nothing in this Act shall prohibit the continued
12 employment of any person who shall have rendered fifteen
13 or more years of faithful and honorable service on the
14 Canal Zone; (4) that in the selection of personnel for skilled,
15 technical, administrative, clerical, supervisory, or executive
16 positions, the controlling factors in filling these positions
17 shall be efficiency, experience, training, and education; (5)
18 that all citizens of Panama and the United States rendering
19 skilled, technical, clerical, administrative, executive, or super-
20 visory service on the Canal Zone under the terms of this
21 Act (a) shall normally be employed not more than forty
22 hours per week, (b) may receive as compensation equal
23 rates of pay based upon rates paid for similar employment
24 in continental United States plus 25 per centum; (6) this
25 entire section shall apply only to persons employed in skilled,

1 technical, clerical, administrative, executive, or supervisory
2 positions on the Canal Zone directly or indirectly by any
3 branch of the United States Government or by any cor-
4 poration or company whose stock is owned wholly or in
5 part by the United States Government: *Provided further*,
6 That the President may suspend from time to time in whole
7 or in part compliance with this section if he should deem
8 such course to be in the public interest.

9 SEC. 203. The Governor of the Canal Zone is authorized
10 to employ services as authorized by section 15 of the Act
11 of August 2, 1946 (5 U. S. C. 55a), in an amount not
12 exceeding \$15,000: *Provided*, That the rates for individuals
13 shall not exceed \$100 per diem.

14 SEC. 204. There are hereafter authorized to be trans-
15 ferred between departments and agencies, with or without
16 exchange of funds, all or so much of the facilities, buildings,
17 structures, improvements, stock and equipment, of their
18 activities located in the Canal Zone, as may be mutually
19 agreed upon by the agencies involved and approved by
20 the Director of the Bureau of the Budget, in the interest
21 of elimination of duplicate activities and related facilities:
22 *Provided*, That with respect to such transfers without ex-
23 change of funds (1) transfers to or from the Panama Canal
24 Company shall be subject to the provisions of section 246
25 of title 2 of the Canal Zone Code, as added by the Act

1 of June 29, 1948 (ch. 706, sec. 2, 62 Stat. 1076) ; and
2 (2) transfers to or from the Canal Zone Government shall
3 be at such appropriate amount as shall be agreed upon
4 between the Canal Zone Government and the agencies
5 concerned and approved by the Director of the Bureau of
6 the Budget, and in the determination thereof due consid-
7 eration shall be given to the cost of the transferred assets,
8 or usable value to the transferee if clearly less than cost.
9 and adequate provision made for depreciation of properties
10 and equipment, obsolete or otherwise unusable inventories,
11 and other reasonably determinable shrinkages in values ;
12 and such amount shall be added to or deducted from the
13 investment of the United States in the Canal Zone Govern-
14 ment as applicable.

15 TITLE III—INDEPENDENT AGENCIES

16 ADVISORY COMMITTEE ON WEATHER CONTROL

17 Salaries and expenses: For necessary expenses of the
18 Advisory Committee on Weather Control, established by
19 the Act of August 13, 1953 (67 Stat. 559), including
20 services as authorized by section 15 of the Act of August 2,
21 1946 (5 U. S. C. 55a) , \$175,000.

22 SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

23 Not to exceed \$280,000 shall be available for admin-
24 istrative expenses which shall be computed on an accrual
25 basis: *Provided*, That said funds shall be available for serv-

ices as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates for individuals not to exceed \$100 per day.

TARIFF COMMISSION

Salaries and expenses: For necessary expenses of the Tariff Commission, including subscriptions to newspapers (not to exceed \$200), not to exceed \$17,000 for expenses of travel, and contract stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), \$1,400,000: *Provided*, That no part of this appropriation shall be used to pay the salary of any member of the Tariff Commission who shall hereafter participate in any proceedings under sections 336, 337, and 338 of the Tariff Act of 1930, wherein he or any member of his family has any special, direct, and pecuniary interest, or in which he has acted as attorney or special representative: *Provided further*, That no part of the foregoing appropriation shall be used for making any special study, investigation or report at the request of any other agency of the executive branch of the Government unless reimbursement is made for the cost thereof.

TITLE IV—GENERAL PROVISIONS

SEC. 401. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation included in this Act, shall be used to pay the

1 salary or wages of any person who engages in a strike against
2 the Government of the United States or who is a member
3 of an organization of Government employees that asserts
4 the right to strike against the Government of the United
5 States, or who advocates, or is a member of an organization
6 that advocates, the overthrow of the Government of the
7 United States by force or violence: *Provided*, That for the
8 purposes hereof an affidavit shall be considered prima facie
9 evidence that the person making the affidavit has not contrary
10 to the provisions of this section engaged in a strike against the
11 Government of the United States, is not a member of an
12 organization of Government employees that asserts the right
13 to strike against the Government of the United States, or that
14 such person does not advocate, and is not a member of an
15 organization that advocates, the overthrow of the Govern-
16 ment of the United States by force or violence: *Provided*
17 *further*, That any person who engages in a strike against
18 the Government of the United States or who is a member
19 of an organization of Government employees that asserts
20 the right to strike against the Government of the United
21 States, or who advocates, or who is a member of an organiza-
22 tion that advocates, the overthrow of the Government of the
23 United States by force or violence and accepts employment
24 the salary or wages for which are paid from any appropria-
25 tion or fund contained in this Act shall be guilty of a felony

1 and, upon conviction, shall be fined not more than \$1,000
2 or imprisoned for not more than one year, or both: *Pro-*
3 *vided further*, That the above penalty clause shall be in
4 addition to, and not in substitution for, any other provisions
5 of existing law.

6 SEC. 402. No part of any appropriation contained in
7 this Act shall be used for publicity or propaganda purposes
8 not heretofore authorized by the Congress.

9 SEC. 403. No part of any appropriation contained in this
10 Act shall be used to pay any expenses incident to or in con-
11 nection with participation in the International Materials
12 Conference.

13 This Act may be cited as the "Department of Com-
14 merce and Related Agencies Appropriation Act, 1956".

A BILL

Making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

By Mr. PRESTON

MAY 19, 1955

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued May 25, 1955

For actions of May 24, 1955

84th-1st, No.86

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate debated road bill. House committee reported Mexican farm labor bill. House passed Commerce Department appropriation bill. Sen. Eastland inserted Sen. Ellender's speech criticizing administration's farm program.

HOUSE

1. APPROPRIATIONS. Passed with amendments H. R. 6367, the Commerce Department appropriation bill for 1956 (pp. 5841-72). Agreed to an amendment by Rep. Fogarty increasing Weather Bureau funds by \$2,250,000 for improving advance weather information relative to hurricane warnings (pp. 5861-72). Rejected, 54 to 61, an amendment by Rep. Sullivan to increase by \$25,000 the funds of the Bureau of the Census for the gathering and publishing of data on coffee stocks on hand in the U. S. (pp. 5855-8). Rep. Rogers (Mass.) urged additional appropriations for weather research (p. 5873).
(H. Rept. 625)
2. FARM LABOR. The Agriculture Committee reported with amendment H. R. 3822, extending for $3\frac{1}{2}$ years (until June 30, 1959), the program of recruitment of agricultural workers from Mexico (p. 5879). The bill, as amended, would eliminate double liability for transportation and expenses of Mexican workers back to Mexico where the employer had paid such expenses, but the worker does not return to Mexico and is later picked up by Federal immigration authorities. It also would require the Dept. of Labor to carry out, in all areas affected by the program, procedures which have been used in most areas of consulting with both employers and workers in obtaining information as to the need for additional workers, and the wages paid in the area to workers doing similar jobs.
3. ALASKA WATER RESOURCES. The Rules Committee reported a resolution for the consideration of H. R. 3990, to authorize the Secretary of the Interior to investigate and report to Congress on projects for the conservation, development, and utilization of the water resources in Alaska (p. 5873).
4. FORESTS; MINING. The Interior and Insular Affairs Committee ordered reported with amendments H. R. 5891, to amend the mining laws to provide for multiple use of the surface of the same tracts of public lands (p. D460).

SENATE

5. WHEAT. Received a Nebraska Legislature resolution urging legislation for the improvement of wheat (p. 5882).
6. ROADS. Continued debate on S. 1048, to authorize federal aid for road construction (pp. 5890-1, 5914-7). The committee report on this bill includes the following statement regarding provision of sanitary, water, and fire control facilities in connection with forest roads and trails: "It was understood that the cost of the desired facilities would be very nominal." The committee report also includes the following statement regarding roads on or to Federal lands: "The Committee has continued the contractual authority to the Secretary of the Department charged with the administration of such funds, to incur obligations, approve projects, and enter contracts, under authorizations for the miscellaneous roads on Federal lands, 1 year in advance of the year for which authorized. It is disturbed, however, by reports that the contractual authority for these road classifications included in the Federal-Aid Highway Act of 1954 has been used so sparingly, in spite of the great need for such projects in the Western States, particularly on forest and public land highways.
7. POSTAL PAY BILL. Voted to sustain the President's veto of S. 1. Although 54 voted to override and 39 voted to sustain, a two-thirds majority would have been necessary to override. (pp. 5891-5912.)

BILLS INTRODUCED

8. BUILDINGS. H. R. 6434, by Rep. Hays, Ark., to authorize the Administrator of General Services to assist in planning and financing the construction of county agricultural buildings; to Public Works Committee (p. 5879).
9. FORESTRY. H. R. 6435, by Rep. Hiestand, to provide for the establishment of a National Fire Research Commission; to Government Operations Committee (p. 5879).
10. PERSONNEL. H. R. 6436, to amend the Federal Employees' Group Life Insurance Act of 1954; to Post Office and Civil Service Committee (p. 5879).
H. R. 6450, by Rep. Derounian, to increase the rates of basic salary of postmasters, officers, supervisors, and employees in the postal field service, to eliminate certain salary inequities; to Post Office and Civil Service Committee (p. 5879).
S. 2061, by Sen. Johnston, S. C., (for himself and others) to increase the rates of basic compensation of officers and employees in the field service of the Post Office Department; to Post Office and Civil Service Committee (p. 5883).
S. 2062, by Sen. Carlson, to increase the rates of basic salary of postmasters, officers, supervisors, and employees in the postal field service, to eliminate certain salary inequities; to Post Office and Civil Service Committee (p. 5883).
11. WHEAT. H. R. 6437, by Rep. Jonas, to amend the Agricultural Adjustment Act of 1938 to exempt certain wheat producers from liability under the act where all the wheat crop is fed or used for seed on the farm; to Agriculture Committee (p. 5879).
12. FOOD AND DRUGS. H. R. 6446, "to revise, codify, and enact into law, title 21 of the United States Code, entitled 'Food, Drugs, and Cosmetics';" to Judiciary Committee (p. 5879).

that the gentleman brought up the matter. I am receiving hundreds of letters. It seems only a just thing to do.

Mr. McCORMACK. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I am delighted to yield.

Mr. McCORMACK. There are several bills introduced. I am glad to note that the gentlewoman has introduced one; but I wanted to call attention to the fact that apparently the Army followed this procedure in World War II which these good people seek to have them do again. As this identification tag indicates, they did issue such tags bearing the designation of the Greek Orthodox Church through the letters "G. O." during World War II.

Mrs. ROGERS of Massachusetts. I do not see any reason why they should change now. I sometimes feel that the armed services' right hand does not know what its left hand does.

Mr. SADLAK. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. SADLAK. I introduced a bill to accomplish this. I wish to congratulate the majority leader for his fine contribution.

HURRICANE WARNINGS

(Mr. FOGARTY asked and was given permission to address the House for one-half minute.)

Mr. FOGARTY. Mr. Speaker, at the conclusion of general debate on the Commerce Department appropriation bill and when the bill is read under the 5-minute rule, it is my intention to offer an amendment for an increase of funds for salaries and expenses of the Weather Bureau in order that we may be able to have faster advance warnings of hurricanes and tornadoes, such as those that caused so much damage in the last few years. Because it affects not only aviation and agriculture, but also all the citizens of the country, I hope the amendment will be adopted.

DEPARTMENT OF COMMERCE AND RELATED AGENCIES APPROPRIATION BILL, 1956

Mr. PRESTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes; and pending that motion, I ask unanimous consent that general debate be limited to 2 hours, one-half to be controlled by the gentleman from Ohio [Mr. CLEVENGER] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consid-

eration of the bill H. R. 6367, with Mr. HAYS of Arkansas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. PRESTON. Mr. Chairman, I yield myself such time as I may need.

Mr. Chairman, the subcommittee handling the Department of Commerce and related agencies appropriations brings the bill for fiscal year 1956 to the floor today for your consideration. As chairman of the subcommittee, I want to thank the other Members who have worked with me so hard during the past 6 weeks to bring out a bill which adequately provides for the various programs provided for therein and at the same time effects every possible economy.

The gentleman from Texas [Mr. THOMAS] has been of immeasurable help during the hearings and markup of this bill. The gentleman from New York [Mr. ROONEY], who has had an active hand in the handling of this appropriation bill for many years, has been of valuable assistance. The gentleman from Illinois [Mr. YATES], the gentleman from California [Mr. SHELLEY], and the gentleman from Pennsylvania [Mr. FLOOD] have also been very helpful and cooperative.

The four Members on the minority side have also been very diligent in their work on this bill and have been 100 percent cooperative. The gentleman from Ohio [Mr. CLEVENGER] had the major responsibility for most of the appropriations contained in this bill during the 83d Congress. His intimate knowledge of these appropriations has been of great assistance to the subcommittee this year. The gentleman from Ohio [Mr. BOW], the gentleman from Washington [Mr. HORAN], and the gentleman from Maryland [Mr. MILLER] also have done everything possible to help me bring you a satisfactory bill today.

The bill before you appropriates a total of \$1,121,435,000 for the coming fiscal year for the Department of Commerce, the Canal Zone, the Advisory Committee on Weather Control, the St. Lawrence Seaway Development Corporation, and the Tariff Commission. While funds for the Small Business Administration also come under the jurisdiction of this subcommittee, no budget estimates have been submitted as yet in connection with its operations for the 1956 fiscal year.

The amount provided in the accompanying bill is a decrease of \$26,077,746 below the funds appropriated for the fiscal year 1955. Also it represents a reduction of \$244,958,000—nearly \$245 million—in the 1956 budget estimates. This is a reduction of 18 percent below the budget, a rather substantial decrease. In complete frankness, however, it should be pointed out that the major portion of these reductions are in items which may require supplemental funds at a later date, depending on obligations incurred under basic legislation for subsidies to air carriers and ship operators, and depending on payments of contracts on Federal highways and forest highways. While the decreases in these items do not

necessarily represent savings to the taxpayers in the final analysis, and they are not claimed as such by the subcommittee, it is believed that tight control over these items by the Congress is necessary. The appropriation of a little less than needed, rather than a little more, should encourage the Department of Commerce to effect every possible economy and make every possible saving.

In order that the Members of the House may have a complete picture of the action on every major program included in the bill, I will comment briefly on each appropriation, following the table commencing on page 14 of the committee report.

TITLE I, DEPARTMENT OF COMMERCE— OFFICE OF THE SECRETARY

The amount provided here will permit the Secretary's office, and the top administrative staff of the Department, to continue its operations in 1956 at the 1955 level. The increase of \$122,000 over 1955 covers the transfer of the Defense Air Transport Administration from the Business and Defense Services Administration to the Secretary's office.

CENSUS BUREAU

The amount recommended for salaries and expenses will permit the Bureau to continue its program in 1956 on the same basis as was authorized for 1955. The committee did not feel that the additional statistics to be gathered with the increase of \$1,200,000 proposed in the budget were of sufficient importance at this time to warrant the appropriation of the additional funds requested. Some of the additional information proposed to be gathered appeared to be a duplication of information in other bureaus of the Department. Furthermore, all of the additional surveys proposed were merely extensions of existing programs already in existence. The funds requested to complete the Census of Agriculture and the Censuses of Business, Manufacturers, and Mineral Industries are recommended in substantially the amounts proposed by the budget estimates. The funds proposed for next year will permit the completion of these censuses, which were initiated a year ago.

CIVIL AERONAUTICS ADMINISTRATION

The amount approved provides for the operation and regulation activities of the administration at about the same level as was provided for the fiscal year 1955. It is believed that additional economies and increased efficiency in operation can be effected to permit the commissioning of additional airways facilities to be added next year from establishment funds authorized for this year.

A rather sizable increase is provided for the establishment of air navigation facilities. The committee believes that the additional \$13,500,000 over 1955 is necessary to permit the continued improvement of our air navigation facilities throughout the continental United States, Alaska, Puerto Rico, and the Pacific. The growing needs of the rapidly expanding aviation industry of this country must be recognized and adequately financed from year to year. This is important to assure adequate

safety in flight, which is important to every citizen of the country, whether or not he uses air transportation. It is also important that we have an adequate airways system in the interest of protection in the event of a national military emergency. Therefore, the committee is recommending to you today a rather sizable appropriation for this purpose.

With respect to the airport program, the committee is recommending an appropriation of \$20 million for next year, an increase of \$9 million over the budget. This amount will permit the continuation of this program at approximately the same level as was provided for the fiscal year 1955. The committee was impressed with the testimony indicating the expanding need for larger and better airports throughout the country. It is also convinced that direct Federal participation is essential to assure a well-planned and closely integrated national network of airports of proper design and adequate capacity to be useful for military as well as civilian purposes. In the interest of economy in construction as well as cooperation with local communities, the committee feels that the appropriation recommended is the proper amount to be authorized for the coming fiscal year.

The amounts proposed for 1956 for the operation of the Washington National Airport and the airports at Anchorage and Fairbanks, Alaska, are the same as were provided for the fiscal year 1955. It is expected that improved efficiency will enable these airports to continue to operate at present levels and to absorb additional costs authorized last year under the so-called fringe benefits bill.

The committee has also provided an additional \$525,000 for the improvements at the Washington National Airport. This amount includes funds for installation of additional safety devices such as additional gasoline storage facilities, additional apron paving, standardization and replacement of field markings and lights, installation of an emergency electrical generator, and improvement of fire protection facilities. In addition, this appropriation will provide \$70,000 for the construction of additional baggage facilities essential to meet the constantly increasing traffic at the airport.

CIVIL AERONAUTICS BOARD

An additional \$123,000 has been provided for the operation of the Civil Aeronautics Board for the coming fiscal year. This amount is recommended in order that the Board may increase its field audit staff sufficiently to assure adequate audit and verification of air carrier subsidy claims in advance of payment. The committee is not at all satisfied with the present audit procedures of the Board. It is convinced that more thorough field audit will make it possible to reduce the subsidy payments to air carriers in the future.

The committee has reduced the funds in the bill for payments to air carriers from the budget estimate of \$63 million to \$40 million. While it may be necessary to provide some additional funds for this purpose at a later date, the committee recommendation is adequate for the Board to commence operations dur-

ing the next fiscal year. The committee feels that this approach to the problem of financing air carrier subsidies is desirable, in that it encourages the Board to take whatever steps may be necessary to protect the taxpayers in the handling of these claims.

COAST AND GEODETIC SURVEY

The amount authorized for the salaries and expenses of this organization for 1956 will permit the continuation of its operations at exactly the same level as was provided for the fiscal year 1955.

BUSINESS AND DEFENSE SERVICES ADMINISTRATION

The appropriation of \$6,198,000 recommended for 1956 will permit continuation of the operations of this agency at the 1955 level. The reduction of \$122,000 below 1955, as reflected in the table, is the result of the transfer of the Defense Air Transport Administration from this organization to the Office of the Secretary.

BUREAU OF FOREIGN COMMERCE

Rather sizable reductions have been made in the appropriations for the coming year for the Bureau of Foreign Commerce. This results from the reduction of some 45 percent during the past year in the number of items on the positive list used in the export-control program of the agency.

OFFICE OF BUSINESS ECONOMICS

The \$75,000 increase over 1955 recommended in the bill for this Bureau is to be used to make a special study of unemployment problems throughout the country. In view of the serious nature of this problem in some areas, the committee feels that more complete and accurate information is essential to guide both the executive and the legislative branches of the Government in developing future policies.

MARITIME ACTIVITIES

A rather large appropriation is recommended for the coming year for ship construction. The bill includes a total of \$64,700,000 for 5 major construction programs of the Maritime Administration, as follows: Title V, construction, \$44,750,000; tanker trade-in-and-build program, \$11,500,000; acquisition of cargo ships, \$4,200,000; research and development program, \$2,500,000; and administrative and warehouse expenses, \$1,750,000. The amount approved for title V construction include \$14 million for 2 combination cargo-passenger ships for the American President Lines, \$19,250,000 to replace 5 cargo ships, \$11,300,000 to convert 2 mariners for the Oceanic Steamship Co., and \$200,000 for reconditioning 2 vessels for the American President Lines. The amount recommended for the tanker trade-in-and-build program will permit the trade-in of 10 used tankers and the construction of 5 new ships. In addition, the sum of \$4,200,000 has been included in the bill to acquire the 5 cargo ships to be replaced under the title V program. The \$23,500,000 requested for the construction of 3 proto-type vessels for the Maritime Administration is not recommended by the subcommittee at this time. In view of the advent of atomic-powered vessels, the committee does not

feel justified in recommending the expenditure of large amounts for construction of conventional type proto-type vessels.

The amount recommended for operating-differential subsidies, \$90 million, is somewhat less than the amount requested and the funds available for the current fiscal year. Here again, it is difficult to predict accurately the funds required here. However, it is believed wiser to approach this matter on a conservative basis and to encourage efficient and careful handling of these subsidy claims through tight congressional control over appropriations.

The amount provided for salaries and expenses, which appropriation finances the operations of the Maritime Administration, covers approximately the same operating level as authorized for 1955. The additional \$100,000 is to be used for reserve fleet expenditures.

The committee has also provided the budget estimate of \$2,085,000 for the operation of the Kings Point (N. Y.) Maritime Academy. While this amount is slightly below that appropriated for 1955, it actually provides some additional funds for maintenance, in view of non-recurring items and estimated savings made during the current fiscal year.

The committee has restored the full amount for the State maritime schools for the coming year. After full and complete hearings on this matter, in which many Members of the Congress presented testimony, the subcommittee believes that the future of the maritime industry and the national defense of the country warranted the restoration of the same amount as was appropriated for 1955, \$660,000.

PATENT OFFICE

The committee is recommending \$14 million for 1956, an increase of \$2 million over the budget estimates and an increase of \$2,500,000 over the amount appropriated for 1955. The committee took considerable testimony on this subject from Members of Congress and outside witnesses. It was apparent that a fairly well-organized effort to impress the committee with the need for additional funds was underway, spearheaded primarily by the patent lawyers of the country. While requests totaling \$15 million and more were presented to the committee, the final figure recommended in this bill was based on testimony presented by the head of the Patent Office, Mr. Robert C. Watson, to the effect that he would not be able to employ experienced and qualified examiners at a rate which would require more than \$14 million during the coming fiscal year. Subsequent informal discussions with several other top officials of the Department further supports this position.

The committee is in full sympathy with efforts to increase the staff of the Patent Office in order to reduce the existing 4-year backlog. It believes that the Secretary of Commerce was in error in submitting a budget of only \$12 million. At the same time it does not feel that funds should be provided in an amount greater than can be used effectively. On the basis of the testi-

mony from responsible officials, it is believed that \$14 million is the maximum which can be justified for 1956.

BUREAU OF PUBLIC ROADS

The bill includes \$600 million for Federal-aid highways for the coming fiscal year, a reduction of \$80 million in the budget estimate. This amount will liquidate all authorizations through the middle of the fiscal year 1955. Since actual payment usually follows 15 to 18 months after contracts are approved, it is believed that the amount recommended will be sufficient to carry this program during the next fiscal year. If additional funds are required in 1956, supplemental appropriations will be necessary. It should be pointed out that the committee has little or no control over these funds, since the authority for the Bureau to enter into contracts and thereby commit the Government is contained in basic legislation. Therefore, the principal function of the Appropriations Committee with respect to this program is to provide adequate funds to make payments under contracts previously entered into on the basis of the authorizations contained in the basic legislation.

The same situation exists with respect to forest highways. For this purpose, the committee is providing \$18,500,000 for 1956, the same amount as was appropriated for 1955. This amount will permit the payment of authorizations through the fiscal year 1955. This should be adequate, considering the normal time lag between commitment and final payment.

The original budget estimate submitted for the Inter-American Highway in January included \$5,750,000 and was based on completion in about 6 years. This estimate was increased by House Document No. 126, dated April 13, 1955, to a total of \$74,980,000. The revised estimate is based on a recent proposal of the administration to complete the highway within a 3-year period. In view of the lack of basic legislative authority for the revised estimate, and in view of the additional cost which will result from speeding up this program, the committee is recommending only \$8 million for the coming fiscal year—on the basis of completion in 6 years. Officials of the Bureau of Public Roads stated that a speeded-up program on a 3-year basis would cost the taxpayers of the country an additional \$12 million, due to the necessity of bringing in larger amounts of heavy equipment to complete the job on a "crash basis," and in view of the need to bring in more outside labor at much higher labor costs. While the committee agrees that this project should be completed within a reasonable time, probably the 6 years originally planned, it does not feel that the additional cost of 20 percent should be approved in order to complete this program in 3 years.

NATIONAL BUREAU OF STANDARDS

The committee is recommending \$7 million for the operations of the Bureau of Standards for the coming fiscal year. This is an increase of approximately \$1 million over funds available for 1955. The increase is recommended in order to permit the Bureau to make adjustments

required by the Comptroller General in the handling of overhead charges against projects undertaken for other agencies. The additional funds provided in the bill will make it possible for the Bureau to establish a proper charge for overhead against its own programs and thereby reduce the disproportionately high rate being charged to programs supported by transferred funds. In addition, the increase provided for 1956 will enable the Bureau to expand its regular research and testing, and radio propagation and standards work. The increased demand for improvement of the Bureau's work on such projects as temperature measurements, transistors, and engineering standards and techniques, is closely related to new developments in the fields of atomic energy, particularly with respect to military operations.

The committee also has included \$995,000 for improvement of the plant and equipment of the Bureau and for the construction of an addition to the radio laboratory at Boulder, Colo., to conduct research for our armed services on electronic equipment calibration. This appropriation covers the cost of constructing the necessary buildings, whereas the cost of equipping and operating the facility will be borne by the military services.

WEATHER BUREAU

For the regular operations of the Weather Bureau the Committee recommends \$27,650,000 for next year, an increase of \$2,710,000 above funds available for 1955. This rather large increase will permit the Weather Bureau to take over certain basic meteorological activities now being supported by the Department of Defense, including 25 upper-air basic network stations, the central analysis work in Washington, the preparation and publication of special weather maps for the armed services, and the handling of weather services in Trust Territory Islands of the Pacific. Since these facilities have been operated by the Weather Bureau for some years now by a transfer of funds from the Defense Department, it appears advisable to provide the funds directly to the Weather Bureau. The Committee has been assured that a comparable reduction has been made in military funds to compensate for this portion of the increase. The balance of the increase will cover the full year cost of certain facilities operated during the fiscal year 1955 on a part-year basis. It will also cover the additional fringe benefit costs authorized by the last Congress.

The committee is also recommending the sum of \$5 million for next year for the establishment of new meteorological facilities. Most of this increase is to provide additional hurricane and tornado-warning equipment, which is so urgently needed to help reduce the devastation caused each year by the severe storms such as those experienced along the east coast last year. A small portion of this fund will also be used to improve weather facilities needed to facilitate the landing of aircraft under adverse weather conditions, to replace wornout and obsolete equipment of the Bureau, and to provide necessary engineering and technical support for installation of

all equipment included in the \$5 million recommended under this appropriation.

TITLE II, PANAMA CANAL—CANAL ZONE GOVERNMENT

The committee has approved \$14,500,000 for the operating expenses of the Canal Zone Government for 1956. This is an increase of \$482,000 over funds available for 1955. The increase is provided to cover employee benefits authorized under the Fringe Benefits Act adopted last year and to meet increased needs for maintenance, education, and hospital services in the Canal Zone.

The sum of \$1,800,000 is recommended for the capital program of the Canal Zone Government for the next fiscal year. With the exception of a major program for the construction of a sewage-disposal facility on the Pacific side, the fund provided covers the normal annual requirement for capital improvements in the area.

PANAMA CANAL COMPANY

The committee has recommended \$3,589,000 for administrative expenses of the Company during 1956, the same amount as was authorized for 1955. The committee is also recommending that the recent decision of the Directors of the Panama Canal Company to abandon the railroad in the Canal Zone be deferred until the matter has been given further consideration by the appropriate committees of the House of Representatives.

TITLE III, INDEPENDENT AGENCIES—ADVISORY COMMITTEE ON WEATHER CONTROL

An increase of \$55,000 is recommended for this agency for 1956, which provides a total of \$175,000. The additional funds cover full-year salaries for certain persons employed for only 6 months in 1955. In addition, a small increase in various experimental projects is provided for.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The committee recommends the full budget estimate of \$280,000 for administrative expenses of this organization for 1956. This amount provides an increase of \$30,000 over 1955 for the employment of 3 additional engineers required as the major construction program gets underway.

TARIFF COMMISSION

The full budget estimate of \$1,400,000 has been included in the bill for next year. The increase of \$73,000 will enable the Commission to more adequately meet increasing demands for its services. In addition, it will cover the new duties required by the Customs Simplification Act of 1954.

CONCLUSION

In conclusion, I wish to repeat that I believe this to be a very fair and adequate bill. I am sure it does not provide all the money which some people think should be appropriated. On the whole, however, it is a well-balanced bill which provides the maximum amount which can reasonably be expected in view of the present condition of the Treasury. It represents the combined opinion of the subcommittee based on thorough and exhaustive hearings and careful deliberations on each item in the bill. I

strongly recommend it to every Member of the House for adoption.

Mr. Chairman, there are several items in this bill that need some discussion. The first item I would like to discuss is the request for the Inter-American Highway. The committee received a supplemental request for \$74,950,000 to complete the Inter-American Highway on a crash basis rather than on the 6-year basis contained in the regular budget. It was brought to our attention by the Bureau of Public Roads that this would require a penalty or a premium of \$12 million in order to build it on a 3-year basis rather than a 6-year basis. The committee decided that it could not afford to spend \$12 million in order to accomplish the job in 3 years rather than 6.

One reason assigned for the additional \$12 million, among other things, was the necessity of moving a large amount of heavy equipment into the area and also sending additional people. So it was decided in the committee that we would complete the job on a 6-year basis, at a saving of \$12 million, rather than on a 3-year basis.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from Massachusetts.

Mr. MARTIN. I wonder if the gentleman gave any consideration that the completion of the road might be helpful in promoting our good will with South America and if that would not be far more important than the saving of \$12 million, which will eventually be expended.

Mr. PRESTON. Well, I can only speak for myself. I would not undertake to speak for the remainder of the subcommittee. But it was my personal judgment that it would be more beneficial to the countries involved to have this money spread out over a 6-year period, that is, as to the economic effect, rather than on a 3-year basis, because in 3 years the economic effect would have been dispensed with, been over with, and if you save the \$12 million and have it spread out over 6 years, it was my judgment it would be more beneficial to the countries involved.

Mr. MARTIN. In the meantime, you would be promoting travel between the several countries, and that would be helpful in good will and trade. South America is where America has unlimited possibilities.

Mr. PRESTON. That is true, and that is one of the prevailing arguments and one of the convincing arguments that the committee considered in even approving the item at all.

Now, there is another item in the bill: Federal aid to airports. The request that we received from the Bureau of the Budget, and approved by the Department of Commerce, was in the amount of \$11 million. The committee increased that to the sum of \$20 million, and when you take into account the fact that \$2 million are administrative expenses under another category, the present level of the program will be continued during the coming fiscal year as it was during this fiscal year.

Mr. MARTIN. Mr. Chairman, if the gentleman will yield further, I would like to press an inquiry at this point concerning the smaller airports in this country. I have an airport in my district that has not been able to share in the Federal funds because it fails to meet unwise regulations. One company has a franchise to operate in the city of Fall River, but it is not using the permit. Another company would like to have the airport as a stop and they are not able to get that privilege. This makes it impossible for the airport to comply with the demands. Does the gentleman believe that that situation should be allowed to continue?

Mr. PRESTON. I will say to the distinguished minority leader that that has been a matter of concern to me, also. There is language in the report which recommends that the formula be changed. The present formula is 3,000 enplaned passengers during 1 year with 30 civil based aircraft, and under the language in the report I think I can assure the distinguished minority leader that smaller airports will be included in this program in the future rather than metropolitan airports.

Mr. MARTIN. I hope this is true. It is the smaller airports we are appropriating money to help.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. PRESTON. I yield to the gentleman from New York.

Mr. ROONEY. I should like to call to the attention of the distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN] the language on page 4 of the committee report in regard to this feature of the bill:

While the committee is in full agreement with this program and is endeavoring to support it with adequate funds—

And, of course, the amount was raised by the committee from \$11 million to \$20 million—

it believes that every effort must be made to make certain that they are used wisely and effectively. It is felt that the present formula prevents development of smaller airports and operates to the advantage of airports in larger metropolitan areas.

It is believed that the formula should be revised and consideration should be given in justifiable cases to smaller airports and in certain cases where operating facilities are involved.

Mr. MARTIN. I appreciate the gentleman's comments. It is a step in the right direction and I will be pleased to see if the smaller airports get the aid Congress wants them to have.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I am glad to yield.

Mr. FORD. I notice in the report that the committee has recommended \$8 million for the Inter-American Highway, which is, by \$2½ million, more than was available during the current fiscal year, I believe, but substantially less than the budget recommendation for this program.

I have read the committee's recommendations on page 8; I would like to ask this, however. Is my understanding correct that the Bureau of Public Roads

of our Government decides how the \$8 million or whatever the final figure is, is allocated for construction during the fiscal year 1956, or does some other party or agency make that decision?

Mr. PRESTON. No, the Bureau of Public Roads makes that decision.

Mr. FORD. They have the final authority as to where on the overall Inter-American Highway this sum, or whatever the final figure may be, shall be spent during the fiscal year 1956?

Mr. PRESTON. The gentleman is correct.

Mr. FORD. They could, if they wished, put it all on one segment of the road within one country, or they could spread it out over the full length of the highway and in a number of countries?

Mr. PRESTON. That is true; the gentleman is correct.

Mr. FORD. I thank the gentleman.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I am glad to yield to the gentleman from Georgia.

Mr. DAVIS of Georgia. With reference to the item of grants-in-aid for airports, and the item of \$20 million, to which the gentleman has just referred, I should like to ask the gentleman how the \$20 million, plus the other \$2 million referred to, will be used; for what purposes will that money be used?

Mr. PRESTON. There is a formula that is employed in allocating the funds. It is much too lengthy to have put it in the report or even in the hearings. It is available in the committee, and I am sure the committee would be delighted to show it to the gentleman from Georgia at any time.

Mr. DAVIS of Georgia. Mr. Chairman, I appreciate that point. The point that I was interested in principally was this. The Municipal Airport for Atlanta, Ga., is in the district which I represent. Atlanta issued bonds some years ago for improvement of the airport there. There has been no matching money to take care of that construction. I was wondering what the possibility was that some substantial matching funds would be available for that purpose from this appropriation.

Mr. PRESTON. Under the \$20 million level or the \$22 million level, there would be approximately \$450,000 allocated to the State of Georgia.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. ROONEY. I think it might be well to point out that the distinguished mayor of Atlanta, Ga., testified before the subcommittee and gave us the benefit of his advice with regard to the airport situation generally over the United States.

Mr. DAVIS of Georgia. I appreciate very much the contribution of the gentleman from New York. I thank the gentleman from Georgia [Mr. PRESTON] for the information.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. GROSS. There is a considerable amount recommended to be appropriated for maintenance and operation, and so forth, including construction, at

the Washington National Airport. In the past, I am told, there has been some difficulty concerning concessions at the Washington National Airport and the revenues derived therefrom.

Has that matter been entirely cleared up—the revenue from concessions?

Mr. PRESTON. The committee went into that only briefly. They did not make a full-scale investigation of it, but the Washington National Airport is self-sustaining. The revenues are sufficient to defray all expenses.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. ROONEY. I am glad that the distinguished gentleman from Georgia [Mr. PRESTON], the chairman of the subcommittee, has pointed out the fact that Washington National Airport is practically self-sustaining, insofar as present income and revenue are concerned. There has never been any real difficulty with regard to these concessions mentioned by the gentleman from Iowa. Over the years and from time to time, the Committee on Appropriations has expressed the thought that they were not charging enough for certain concessions and fees. That situation has always been promptly rectified. I think this is one of the operations of the Federal Government of which we might well be proud.

Mr. GROSS. Mr. Chairman, will the gentleman yield further?

Mr. PRESTON. I yield.

Mr. GROSS. I merely inquired for information and I appreciate the answer given by the gentleman from New York [Mr. ROONEY] that we are getting revenues from the concessions that the Committee on Appropriations thinks we ought to have.

May I address one other question to the gentleman from Georgia?

Mr. PRESTON. I yield further.

Mr. GROSS. On page 9 of the bill, under the item "Bureau of Foreign Commerce," there is this language, "including awards of compensation to informers."

What is meant by that language? Does that mean what it says?

Mr. PRESTON. I do not have a copy of the bill before me.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. ROONEY. That is the usual legislative language in connection with operations of the customs service and export control. When an informant gives our Government information with regard to smuggling, he may be entitled to a reward.

Mr. GROSS. I thank the gentleman for answering the question.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from North Carolina.

Mr. JONAS. I wonder if the gentleman from Georgia could tell me offhand how much of the \$20 million was allocated for use in the State of North Carolina.

Mr. PRESTON. My recollection is, and I could be slightly in error on this,

that it is in the neighborhood of \$450,000, just as it is in Georgia.

Mr. JONAS. About the same as it is in Georgia?

Mr. PRESTON. It is about the same as it is in Georgia.

Mr. JONAS. I have a case in my district similar to the one referred to by the gentleman representing Atlanta. I am interested to the same extent he is in that appropriation.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from California.

Mr. HIESTAND. There is a prevailing opinion, pretty widespread, I fear, that in the matter of Patent Office appropriations we have over the years been penny wise and pound foolish. Would the gentleman like to explain why this increase is adequate to do the job?

Mr. PRESTON. I will be glad to. The committee gave a great deal of consideration to this request and we heard a large number of patent lawyers and people from business. We must have heard maybe 15 people in 1 day. The committee was of the opinion that if we would ever overcome this huge backlog of applications, which is more than 200,000, we would certainly have to give them additional funds. However, in looking into it we learned that \$2 million above the budget request would be sufficient. The budget request was \$12 million and we approved an item in the amount of \$14 million. The committee concluded that that was as fast as they could employ new examiners to deal with the backlog, and that after they had employed additional people maybe next year the amount should be increased to \$15 million. We think we have adequately handled the problem.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from Ohio.

Mr. BOW. Is it not also the fact that the committee considered the evidence before it on mechanization of the Patent Office and the study that is being made may improve the Patent Office by use of business machines and things of that type?

Mr. PRESTON. That is true. We hope we can develop some type of electronic machine that will assist in the examination of the applications.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from Ohio.

Mr. VORYS. I represent the city of Columbus, which has an airport where the city has raised funds and issued bonds, but these amounts have not yet been matched by the Federal Government. I was wondering about the table on page 286 of the hearings which shows the Federal-aid airport program distribution of \$11 million, the budget figure. I was wondering whether the increase of \$9 million would be proportionate or not. For instance, Ohio is down for only \$268,221 in this table.

Mr. PRESTON. It would be proportionate, because there are no adminis-

trative funds in the \$20 million. They are contained in another category under the title of "Operations and Regulations."

Mr. VORYS. Does the gentleman have at hand the amount that would go to Ohio under section 6 of the Federal-aid program as applied to the \$20 million proposed by the committee? I understand it would be about \$500,000.

Mr. PRESTON. I think the staff would be glad to provide it to the gentleman from Ohio if he would step over to the table.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield to the gentleman from New York.

Mr. ROONEY. I wish to commend the gentleman from Georgia [Mr. PRESTON] and all my fellow members of the subcommittee for reinserting in this Department of Commerce 1956 appropriation bill the amount of \$660,000 for the 4 State marine schools in Maine, New York, Massachusetts, and California. The Eisenhower administration saw fit to deny these funds, or attempted to deny them, and the committee is now furnishing these funds to the Department of Commerce and the President with an instruction that they be used and that Federal aid to these academies be continued in the coming fiscal year. I commend the gentleman from Georgia for the action of his committee.

Mr. PRESTON. I thank the gentleman. The committee felt it was a perfectly justifiable thing to do to restore the funds and that they served a very important service in connection with the overall potential of our Nation.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. PRESTON. I yield.

Mr. BALDWIN. May I join in expressing the appreciation of the committee for the restoration of these funds. As the gentleman knows, I come from the district in which the California State Maritime Academy is located. It has received these funds under the basic law of 1874 ever since it was created and has considered them as a part of its budget operations. Without these funds it would be in very difficult straits. I do want to express the appreciation of the Academy for your generous effort in restoring the funds.

Mr. PRESTON. I thank the gentleman from California.

(Mr. PRESTON asked and was given permission to revise and extend his remarks.)

Mr. CLEVENGER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the total of the appropriations carried in this bill for the Department of Commerce and related agencies is \$1,121,435,000. This is a reduction of \$244,958,000 in the amount of the budget estimate. It should be pointed out that of this reduction, \$23,225,000 is in the request of the Civil Aeronautics Board, \$63,540,000 in the Maritime Administration's budget request, and \$153,480,000 in the budget estimate of the Bureau of Roads.

For the Office of Secretary the committee has allowed \$2,172,000 which is

the same as for the current fiscal year when transfers are taken into consideration.

The Bureau of the Census has been granted \$6,200,000 for "Salaries and expenses," the same amount as for the current fiscal year. The sum of \$5,500,000 has been recommended to complete the census of agriculture and \$4 million to complete the censuses of business, manufactures, and mineral industries.

A total of \$159,525,000 is included in the bill for the Civil Aeronautics Administration. The committee has recommended \$20 million for grants-in-aid for airports which is an increase of \$9 million over the budget estimate for this item. This increase should not be construed as a signal or an invitation to build or add unnecessary airports throughout the country. I, personally, am much more interested in seeing that the proper and necessary safety facilities are provided rather than the fancy chrome stripped dining rooms in terminal buildings.

The committee has allowed \$3,900,000 for "Salaries and expenses" for the Civil Aeronautics Board. This is an increase of \$123,000 over the current fiscal year and is for strengthening the field audit program. The sum of \$40 million is included for "Payments to air carriers."

The Coast and Geodetic Survey has been allowed \$10,200,000, the same amount as provided for the current fiscal year.

For the Business and Defense Services Administration, there is provided in the bill \$6,198,000, which is the same as for the current fiscal year when transfers are taken into consideration.

The committee has allowed \$1,800,000 for "Salaries and expenses" and \$2,500,000 for "Export control" for the Bureau of Foreign Commerce. The Office of Business Economics has been allowed \$975,000, an increase of \$75,000 over the current fiscal year.

A total of \$177,445,000 is included in the bill for the Maritime Administration. Of this amount \$64,700,000 is for "ship construction"; \$90 million is for "Operating differential subsidies"; \$14 million is for "Salaries and expenses"; \$6 million for "Repair of reserve fleet vessels"; \$2,085,000, the budget estimate for "Maritime training" and \$660,000 for "State marine schools."

The committee has recommended \$14 million for "Salaries and expenses" of the Patent Office. This is \$2 million above the budget estimate and is \$2,500,000 over the amount appropriated for the current fiscal year. This action is recommended in an effort to get this office on a more current basis. The committee was advised that the backlog of pending cases was 216,266 as of the end of March. An applicant for a patent should not have to wait as long as he must now do. In fairness I should point out that this backlog is not something new or something which has sprung up over night. A check of the records will show that back in 1948, 1949, 1950, and 1951 there was a backlog of over 200,000 cases in each of those years.

An examination of the record will also reveal that this situation is not the fault of the Congress. This agency has been

granted substantially what they have requested of the Congress in their budget estimates each year. Last year they received \$500,000 more than the budget estimate. The amount recommended for this coming year is 228 percent of what it was for 1946. Additional funds alone will not solve the problem. The necessary additional competent personnel must be recruited. Modern methods and techniques must be applied in order to give the public the service to which they are entitled.

The bill includes \$600 million for Federal-aid highways. In the event that the roadbuilding program proceeds at a faster pace than anticipated by the committee's action, additional funds will have to be provided. These funds are to pay for previously authorized road construction.

The sum of \$18,500,000 is recommended for forest highways, which is the same amount as for the present fiscal year.

For the Inter-American Highway the committee has recommended \$8 million, a decrease of \$66,980,000 in the budget estimate.

A total of \$7,995,000 is recommended for the National Bureau of Standards, of which \$7 million is for expenses and \$995,000 is for plant and equipment.

The committee recommends the sum of \$32,650,000 for the Weather Bureau, an increase of \$7,710,000 over the current fiscal year. Of this sum, \$5 million is for establishment of meteorological facilities, of which the largest part is for additional upper-air hurricane and tornado warning equipment.

The committee has recommended \$14,500,000 for operating expenses of the Canal Zone Government and \$1,800,000 for capital outlay. A limitation of \$3,589,000 for administrative expenses of the Panama Canal Company has also been recommended.

The committee has recommended \$1,400,000 for the Tariff Commission, an increase of \$73,000 over the appropriation for the current fiscal year.

While I do not agree completely with every figure in the bill, it represents the combined judgment of the committee and in most respects I am in accord with the recommendations made.

Mr. ROONEY. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, I first extend my appreciation to the subcommittee for giving me this opportunity to say a few words in reference to a matter which is of grave importance to us in New England. You heard earlier in the day that my colleague the gentleman from Rhode Island [Mr. FOGARTY] intends to offer an amendment to this bill later in the afternoon for which he asks the united support of the delegation from New England. The Fogarty amendment seeks to increase the appropriations for the Weather Bureau to the extent of \$3,850,000 in order to increase the existing station facilities which have been substantially reduced over the past few years and which seeks also to restore some of those abandoned or eliminated weather stations, and which would permit employees to be placed on

a 24-hour basis rather than on a partial or temporary work program.

Mr. Chairman, as you well know, the 1954 hurricanes that swept through New England were the most destructive in our Nation's history.

Three savage blows killed hundreds of persons and injured additional thousands. The first hurricane, called Carol, caused more than \$500 million in property damage alone.

Insurance rates have gone up.

Felled trees in the forests have since dried out and constitute a continuing fire hazard.

While States and communities, industry, agriculture, and transportation keep their fingers crossed, hoping for the best.

As weather experts tell us that New England will be squarely in the path of future hurricanes.

We are not considering a danger that may hurt us, as in the case of a possible radioactive fallout, but of damaging storms that have hit us and will continue to do so.

In the face of these facts, there is no excuse for the Federal Government to operate the vital Weather Bureau with a skeleton staff and with facilities inadequate to provide us with an early alert.

We could prevent more than 25 percent of the property damage, and save more than 90 percent of the lives that are lost, with advanced, accurate, and widely disseminated warnings that a hurricane may have its eye on us.

Although New England is now a principal target area, every Atlantic and Gulf State, from past experience, and projections for the future, must be prepared for the worst. Individual States are in no position to pick up and trace a hurricane that begins to mobilize for the attack far down in the West Indies. This is the responsibility of the United States Government.

The Department of Defense, due to the special weather forecasts it must have to safely guide the movements of planes and ships, and because of the ample funds at its command, has become very efficient in the field of meteorology.

The military services recognize that this should be the function of the United States Weather Bureau, providing that the civil agency is given sufficient funds, personnel, and facilities to maintain a national weather facsimile network.

They concur in the belief that certain basic meteorological activities, including upper air observations at 25 locations, should be transferred from the Department of Defense to the Weather Bureau.

Wind, and rain, and pressure, and all other weather phenomena, do not operate for a few months, and then take a vacation for the remainder of the year.

It is difficult to understand why the Weather Bureau was only given enough funds to maintain facilities on a part-time basis in 1954.

Part time?

Even the increasing number of business organizations which must have special information regarding weather conditions in order to carry on their op-

erations, failed to insist upon adequate staffing, equipment, and coverage.

This neglect resulted in heavy losses to human beings and economic enterprises last year.

All for want of a few million dollars' worth of foreknowledge. The need for advance warnings on hurricanes is a subject that cannot be disregarded.

We invite disaster when we economize at the expense of public safety.

The New England delegation in Congress, together with the Representatives from many other States, favor the additional appropriations for staff and equipment to maintain an efficient hurricane-warning service.

And to enable our Weather Bureau to become up to date.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. LANE. I yield.

Mr. PATTERSON. I wish to ask a question about the amendment proposing an increase for the Weather Bureau. In my mind there is a question as to its sufficiency, because only a short time ago I introduced a bill which was written on the advice of the best meteorologists in the country. They said they could not get by for less than \$5 million, but that would also include a warning system for tornadoes and other severe storms. How does the gentleman reconcile the amount of \$3,850,000 as against the \$5 million the experts recommend?

Mr. LANE. I assume that the author of the amendment has conferred with the Weather Bureau division of our Government and has been informed that perhaps with that amount of money they could adequately take care of the situation. I am aware of the fact that the gentleman has been very vitally interested in this subject matter and has worked zealously here in the Congress for it. May I say to the gentleman from Connecticut [Mr. PATTERSON] that I have read his bill, I have read his statement made to the Subcommittee on Appropriations, and I agree with him most heartedly, but I was hopeful, since the matter has been brought to the attention of the committee, that since the gentleman's bill called for that sum of money, \$5 million, and that with the paring down of this sum by the Fogarty amendment, that the amount would obtain the approval of the Congress by way of a compromise amendment.

Mr. PATTERSON. May I say to the gentleman that the insurance companies of the country and the meteorologists of the country have agreed that my bill is the one that should be accepted.

(Mr. LANE asked and was given permission to revise and extend his remarks.)

Mr. CLEVENGER. Mr. Chairman, I yield 8 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

(Mr. WIGGLESWORTH asked and was given permission to revise and extend his remarks.)

Mr. WIGGLESWORTH. Mr. Chairman, the subcommittee in charge of this bill has reduced the overall requests of the Department of Commerce by about \$245 million, or, roughly, 19 percent.

Included in that reduction is a substantial slash in the funds requested by the President for the maritime ship construction program.

The request was for \$102.8 million. The committee has allowed \$64.7 million. The result is that the amount approved is \$38.1 million or 37 percent below the request of the President. It is also \$17.9 million or 21 percent below the amount allowed for the current fiscal year.

The reduction eliminates 3 prototype vessels desired for mobilization purposes, 1 high-speed tanker very much desired by the Navy and 2 cargo ships. It also eliminate 5 tankers, from an extended trade-in-and-build program, a program which has been strongly endorsed by the National Security Council.

Mr. Chairman, I am opposed to this reduction.

I am opposed to it because of the vital importance of a proper maritime-construction program to our national defense.

A proper maritime-construction program is vital from the standpoint of merchant marine vessels essential in time of an emergency.

For years we have been told by the Department of Defense of a deficiency in essential merchant ships. Two years ago the deficiency was officially estimated at 214 ships—no real progress has been made since then.

Time and time again we have been told by the Department of Defense of the need for new tankers; that those on hand are obsolete or too slow; that there are practically no tankers at all in the reserve fleet; that there are not enough tankers on hand to meet the initial mobilization impact.

It was only a year or so ago on March 27, 1954, that Admiral Leggett, then Chief of the Bureau of Ships in the Navy Department advised us and I quote:

The current and prospective scarcity of commercial ship construction constitutes a serious threat to our national security.

A proper maritime-construction program is also vital from the standpoint of the preservation of facilities and know-how which are essential in time of emergency.

Our shipbuilding industry has been in distress. It still is in distress. Employment on merchant ship construction has been declining ever since the first quarter of 1953. It is still declining. As of March 1, 1955, the total construction personnel on oceangoing ships was less than 7,000. This figure compares with that of 36,000, officially estimated a year or so ago, as the minimum required for an adequate mobilization potential in terms of our national security.

Living near the seaboard, as I do, I come face to face with ship construction problems. It is tragic to see skilled workers who have given from 20 to 25 years of their lives to ship construction, who have made a great contribution to the Nation in the past, who would be in great demand tomorrow in the event of an emergency, who are now forced to be idle or to look for work in other fields where their skills will be lost to national defense.

The construction yard in my own congressional district, which has made magnificent contributions to the Nation, both in time of war and time of peace; which employed some 30,000 construction workers during World War II; which requires probably 6,000 workers from the standpoint of an essential mobilization facility; has today only 2,000 people on its payroll.

Speaking a year ago on April 28, 1954, before the House Committee on Merchant Marine and Fisheries, Admiral Leggett also had this to say:

The situation today in our private shipyards is so critical that I have grave concern whether the industry can meet mobilization production schedules.

It is apparent that the industry is not prepared today to meet initial wartime requirements. Our private yards now have less than one-third of the total employees in December 1941, and a further drastic reduction is expected later on this year as the privately owned and mariner construction now on the ways is completed.

I repeat—

He said—

the Navy is gravely concerned with the plight of the shipbuilding industry which promises to become the most vulnerable area in our entire preparedness program.

I do not say, Mr. Chairman, that all shipyards are essential. I do say that it is vital to keep in being those yards which are essential in time of need, and those staffs of skilled workers which are essential in time of need. A proper maritime ship-construction program is essential to these ends.

To fail in either respect is to limit our military power and to go contrary to the fundamentals of our whole national defense policy.

I repeat, Mr. Chairman, I am opposed to the reduction made in the funds requested by the President for maritime construction.

I have canvassed many Members of the House and Senate who are deeply interested, as I am, in the restoration of these funds.

I believe that additional funds can and will be added at the other end of the Capitol and that this action will greatly strengthen our hands later in opposition to the position taken by the House Committee on Appropriations.

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from New York.

Mr. ROONEY. May I say that I concur in the remarks made by the distinguished gentleman from Massachusetts. The figures contained in the bill now being considered by the House were arrived at as the result of compromise.

Mr. WIGGLESWORTH. I thank the gentleman from New York. The matter must, of course, be reviewed at the other end of the Capitol. Neither he nor I would wish to jeopardize that review.

I am assured that the matter will be thoroughly and carefully reviewed. I am confident that funds will be restored in the course of that review, in the light of further evidence that will be available at the time.

Funds eliminated by the committee should be restored before the bill is enacted into law. I shall do my utmost to that end.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Maryland.

Mr. DEVEREUX. I should like to congratulate the gentleman from Massachusetts on his very fine statement. We in Maryland, too, are very much concerned about this reduction. Our hope, which is the same as that of the gentleman from Massachusetts, is that the money will be restored in the other body.

Mr. WIGGLESWORTH. I thank the very able gentleman from Maryland for his contribution. He always has the best interests of the merchant marine and the shipworkers at heart.

Mr. PRESTON. Mr. Chairman, I yield 14 minutes to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Chairman, I have been greatly interested in reading the report of this subcommittee and reading the hearings conducted by the subcommittee, with particular attention to that section of the hearings and the report dealing with the American merchant marine. I want to congratulate the committee on the language in the report, and I want to let the committee know and the chairman of the committee know that this language has been of great interest to the legislative committee dealing with the American merchant marine. I read:

It is believed that close scrutiny should be given to employment practices and similar cost factors of subsidized lines in order that future payments may be reduced to a minimum.

Yes, the American merchant marine is essential to the national defense of this country and to the gentleman from Massachusetts [Mr. WIGGLESWORTH] I would say that we must have more ships afloat if we have any idea of maintaining the proper number of employees in the shipyards ashore. Some way must be found by all segments of industry to increase the number of American-flag vessels on the high seas.

Mr. Chairman, we are considering today a bill which contains funds for maritime activities for the coming fiscal year. Among other items there will be appropriated the sum of \$90 million for the payment of operating differential subsidies. This is \$25 million less than the amount requested by the administration and it is altogether possible that unless the full amount is restored, either here or in the Senate, we will be called upon to make a supplemental appropriation for this purpose later on.

This is an obligation we owe. This is not some forecast; this is not just by perchance. These figures are obligated at the present time, the full amount that was requested. To have a merchant marine we must pay the subsidy. There is no other way we can have it.

But in any event, Mr. Chairman, this is a large sum of money and the fact that this item has increased year after year has been of great concern to many of us.

I want to assure my colleagues in this body that the members of the Committee on Merchant Marine and Fisheries of which I have the honor to be chairman, not only are concerned but are determined to ascertain whether the taxpayers of this country are getting their money's worth in the payment of these bills. I think it is appropriate at this time that I review the activities of my committee since the beginning of the current session of Congress.

The Merchant Marine Act of 1936 was designed to develop and maintain an adequate and well-balanced American merchant marine. It provided subsidies to aid in the construction of safe, modern ships, as well as subsidies to enable those ships to compete on a parity basis with the fleets of other nations. Today foreign competition is at an alltime high. Nations which have never before embarked on maritime careers are entering the field—even landlocked Switzerland has a merchant fleet. Our coastal and intercoastal fleets have all but disappeared. This was brought to pass when the Congress placed our coastal tariffs under the Interstate Commerce Commission. That obliterated the coastal operation of merchant fleets. There never was a chance for an operation to exist after that date.

During the past year we have fallen from 7th to 12th place among the nations of the world in ship construction. Is it any wonder that I say we are dealing with a sick industry?

We began our program this year by holding a series of orientation hearings. Primarily for the benefit of the new members of the committee. These were very instructive and have served to enable the membership better to understand the problems with which we are now struggling.

We took a look into the administration of the Tanker Trade-In Act, enacted by the 83d Congress. This act is designed to encourage the building of new tankers of a high speed and improved design. The basic necessity for the legislation was described as twofold. First, to stimulate our shipbuilding industry; and, second, to enhance the strength of our reserve tanker fleet. We find that progress under this law has been slow but steady. Generally speaking, its purpose is being accomplished. However, it was found that although the legislation contemplated the construction of tankers with a speed of not less than 18 knots, several contracts were negotiated, or in the process of negotiation, calling for the construction of tankers of less than 18-knot speed. I am pleased to report that by timely action on the part of your committee, this deviation from the program as outlined to the Congress has been checked.

Soon after the first of the year changes were made that the Cargo Preference Act, commonly referred to as the 50-50 law, was constituting a bottleneck in the administration of our foreign-aid programs. You will recall that under this law the privately owned American flag vessels are entitled to carry at least 50 percent of all cargoes given away or sold for foreign currency by the United States

Government. The committee took cognizance of these charges and promptly called before it all those charged with the administration of the law.

Let me pause to say at this point that I am amazed at the efforts being made, both here and abroad, to sabotage this statute. I have every reason to believe that these efforts began to generate even before the ink was dry on the President's signature. I am fortified in this belief by the fact that we found no real basis for the charges that the law was delaying foreign-aid shipments.

There were to be sure some temporary impediments which, to some, seem more apparent than real, but which the committee immediately took steps to eliminate. Measures also were recommended to prevent overlapping in efficiency and future maladministration of this most important legislation to the American merchant marine. We have just concluded a series of hearings on the problems facing the American merchant marine in connection with the replacement of the existing fleet. Between 1956 and 1966, practically the entire fleet which was built during the war period will become obsolete. Obviously, it would not be sound policy to wait until 1966 to begin the construction of new replacement vessels. This would serve only to add to the feast or famine characteristic of the shipbuilding industry. Consequently, it is in order for the Government to try to secure an orderly replacement of the existing fleet at the least possible expense to the American taxpayers. A report containing the committee's findings and recommendations for dealing with this problem will be issued in the near future. Beginning next week, the committee will begin the most important phase of this program for this session of the Congress. We are going to call up before us in closed, off-the-record meetings the top leaders in labor and management in the maritime industry. We intend to engage in frank discussions with these leaders of the basic problems and difficulties confronting the American merchant marine. We shall ask them for recommendations and solutions for improving these conditions. I do not want to leave the impression that the present Merchant Marine and Fisheries Committee is a pioneer in the field of attempting to find the causes and prescribe the remedy for the ills of the industry. Many studies have been made and it is not our intention to retrace the steps of other groups. We do intend, however, to take full advantage of their work and to insist by legislation or otherwise on the adoption of some of the remedies that other groups have already recognized as essential to any improvement in the situation.

Members of our staff have been sent to practically every major port in the country to study this problem and to help find the answer to it. We have received reports from these field studies, and these reports have increased our concern. I am very much afraid there has been a lack of responsibility on the part of the leaders of the maritime industry, both labor and management. And, if the Government is subsidizing

irresponsibility, we shall lay the facts before the Congress and the American people. If operating costs have increased to unreasonable levels, we shall do all in our power to see that that is cut out. Labor and management must be made to realize that beyond the obligations they owe to their rank and file or to their boards of directors, they owe a great fidelity to the Government of the United States in the position they hold in the American merchant marine. Perhaps there is no more vital link in our defense setup, which we have designed to let remain under civil control. We want to keep it that way, but irresponsibility cannot be countenanced.

Mr. Chairman, I quote the Secretary of the Navy in his Maritime Day address, at the Shoreham Hotel last Thursday evening, when he said:

Only did we begin to win World War I and World War II when the production of merchant vessels became greater than the losses we were sustaining at sea.

That one statement alone shows definitely, and is convincing, that the American merchant marine is vital and necessary to the defense of this Nation, just as great as the Army, the Navy, or the Air Force.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. CLEVENGER. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. MILLER].

Mr. MILLER of Maryland. Mr. Chairman, in a measure of this sort which involves \$1.1 billion distributed among varied agencies including the entire Department of Commerce, it is only natural that there would be differences of opinion among the 10 members of the subcommittee; but I think it is proper to report to this Committee of the Whole that as far as I could observe our subcommittee was in remarkable accord in the overall picture.

Our chairman, the gentleman from Georgia [Mr. PRESTON], was most considerate. The views of all members were fully considered. While I would not want to tell this body that there is a single member of this committee who is entirely satisfied with every item, I think we have today a bill that has been brought out with as much unanimity of feeling, and with as little partisanship or sectional bias as it is possible to have in such a complex piece of legislation.

Personally, I am grateful to the chairman and the members of the subcommittee on both sides for the courtesies shown me.

As has been pointed out, there are some places where perhaps some of us would have appropriated a little more money. Mention has already been made by the gentleman from Massachusetts [Mr. WIGGLESWORTH], by the chairman of the Committee on Merchant Marine, the gentleman from South Carolina [Mr. BONNER], and others, of a matter which is very close to the hearts of many members of this subcommittee, and that is the welfare of our great merchant marine. I think we are all very conscious of the need of an outstanding merchant marine.

I might call attention to the fact that as far as the maritime training schools in the 4 States are concerned, this committee provided funds even though they were not requested in the budget. However, I think we should bear in mind the fact that money alone does not answer all the ills of the day. We cannot always accomplish the desired results by appropriating more and more money. It is most important in the shipbuilding program and in the entire merchant marine program to move with reasonable economy, but at the same time with dispatch. I hope it will be possible to wisely spend more money in some of that field than is provided for in this measure, but until it is definitely shown that it can be economically and wisely spent during this year, the committee, perhaps, would be in error in providing more money just because the committee would like to see progress in that field.

The same thing applies with great force to the Patent Office.

As was mentioned earlier in the debate, we are concerned with the long delay in clearing the backlog of applications in the Patent Office, but money alone will not solve the problem. The committee feels that the sum that has been allowed is all they can spend wisely, because it is not wise to hire people to fill those places without providing proper training for them, and the people who are now overworked, overburdened, are the very ones who not only would have to carry along the regular work but also train the new people. It would therefore seem unwise to appropriate more money than can be effectively used even though there is great need for improvement.

Another matter that has already been mentioned deals with the Weather Bureau. I guess there are few people more cognizant of the ills that befall the countryside from a hurricane than myself, because I was in the heart of Hurricane Hazel, that lady who did almost as much damage as Carol, and certainly made a very lasting impression on this area here in Washington as well as in my country on the Chesapeake Bay, in Maryland. We have allowed an increase in the funds for the Weather Bureau. I think an increase of some \$7,700,000 over the year before; in fact, I think the committee recommended only \$200,000 less than the full budget estimate on an item that runs somewhere around \$32 million. Certainly, if the spending of \$200,000 or \$2 million would alleviate hurricane damage, there is no one on this committee, I think, who will oppose it. But truth of the matter is that, important though the subject is, the money provided may well be all that can be wisely spent under the circumstances and the situation that has been placed before us.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Iowa.

Mr. GROSS. If we are going to be confronted here with an amendment to increase the appropriation for the purpose of expanding the hurricane warning system, does not the gentleman agree that we should also expand the facilities

for tornado warnings in other parts of the country?

Mr. MILLER of Maryland. I think the facilities in both fields should be expanded as rapidly as they can be efficiently; but I would call the gentleman's attention to the fact that in the initial stages the mere appropriation of money does not get results.

Mr. GROSS. I agree with the gentleman.

Mr. MILLER of Maryland. We want to appropriate money which will give results but only where the funds can be wisely spent.

Mr. GROSS. I thoroughly agree with the gentleman, but I also think if any increase is provided we should couple with it increased tornado warning facilities.

Mr. MILLER of Maryland. They are equally important. Anything that causes such damage to property and loss of life is of top priority.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield.

Mr. NICHOLSON. It is not a question of repairing hurricane damage; what we want in essence is ample warning to batten down the hatches and do the things that will save our property and our lives. In the case of the last hurricane we did not know anything about it, we had no warning of it until the thing was practically over. There must be some way by which the Weather Bureau could have informed the New England coast, the Connecticut, and Rhode Island of what was coming.

Mr. MILLER of Maryland. I am not sufficiently informed to assess properly the capabilities of this great scientific organization and how adequately it operates. I only can say to the gentleman from Massachusetts that in this bill we have given all but \$200,000 of the amount asked of us to operate the Weather Bureau. We feel that they can do without that \$200,000 by making reasonable economies without interfering with their service.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield.

Mr. HORAN. I would like to call attention to page 9 of the report where we allowed \$2,700,000 additional for hurricane and tornado work and warning.

Mr. MILLER of Maryland. And on the showing made to the committee that that was the amount the Department felt it could use properly and to the benefit of all concerned. Is not that so?

Mr. HORAN. That is correct.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Connecticut.

Mr. PATTERSON. Then no request has been made for extra money by the Weather Bureau? Is that true?

Mr. MILLER of Maryland. As I recollect it we cut \$200,000 below the budget request on an item that ran over \$32 million. It is there in the report. It was merely tightening up a little bit without cutting out any of the functions. We felt they could economize to that extent.

Mr. PATTERSON. I do not quite understand this because I have been in communication with people in the Weather Bureau and they inform me that they need around \$5 million to carry out this program of warning people in New England, in fact, along the entire coastline, including Texas, when a storm is brewing. Now, there is something wrong some place if they tell you one thing and tell us another.

Mr. MILLER of Maryland. I would like to refer the gentleman from Connecticut to the chairman of the subcommittee, the gentleman from Georgia. I do not want to misrepresent anything. My understanding is that we have given them within \$200,000 of what they asked.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Ohio.

Mr. BOW. I think the gentleman will see from the report of the committee, page 19, that there has been an increase this year over the appropriation for last year of \$7,710,000 and that we come this year to within \$200,000 of the total budget request.

Mr. MILLER of Maryland. That is what I stated.

Mr. BOW. That is correct.

Mr. MILLER of Maryland. The gentleman from Connecticut has said he was told by someone in the Weather Bureau that they needed \$5 million that we have not given them. That is what I was asking the gentleman from Georgia to verify, because I had not heard of it.

Mr. BOW. We gave them the budget request. What they might have asked the Bureau of the Budget is something else, but that is what we have given.

Mr. MILLER of Maryland. That is all we know about.

Mr. BOW. That is correct.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Massachusetts.

Mr. BOLAND. My understanding is that the Weather Bureau asked the Department of Commerce for \$49 million and the Secretary of Commerce cut that by \$11 million. When the Secretary of Commerce came to justify his request for the Weather Bureau, they cut it \$5 million more. The gentleman from Ohio talks about a \$7 million increase in the budget. Five million dollars of that increase goes for meteorological facilities which everyone realizes they need and that \$5 million is \$5 million less than what they put to use. The other two or three million dollars increase concerns itself with a transfer of operations from the Department of Defense to the Weather Bureau, so, actually, the Government does not lose any money there. There is not an additional \$3 million outlay by the Government because you are saving the money by not having the Department of Defense do the work. I think it has been the history of the Weather Bureau that it has been very reluctant, and very hesitant, to ask the Congress for specific appropriations to take care of the warnings that are necessary to take care of lives and property in the New England area.

Mr. MILLER of Maryland. If a reasonable increase in this appropriation can be of help in this important matter or even can be held to have a fair chance of being useful in saving life, I will support such an amendment.

(Mr. MILLER of Maryland asked and was given permission to revise and extend his remarks.)

Mr. CLEVINGER. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. HORAN].

(Mr. HORAN asked and was given permission to revise and extend his remarks.)

Mr. HORAN. Mr. Chairman, there are three items in this bill that I would like to address myself to. The first one is the inter-American highway. Now, it was my pleasure to represent the Subcommittee on Commerce Appropriations at the dedication of a link in that highway some 2 weeks ago. I think it is a good highway. I think it is a very valuable contribution to inter-American affairs. When you realize that up until the time in 1934 when we began construction of a highway from Laredo, Tex., headed in the direction of the Isthmus of Panama, the only access to the outside world that 8 million people living in Central America had was by means of banana boats, it is quite obvious to anyone who travels in Central America that this highway is helping to bring into being a substantial middle-class. It is easy to appreciate the value of that highway. We have already invested some \$46 million in that highway. It is not a bad road. There are about 130 some odd miles that today are still impassable between San Jose, Costa Rica, and the Isthmus of Panama. The President has requested the Congress to provide funds to complete that highway in 3 years. Our subcommittee did not allow these funds because the basic authorization had not yet passed the Congress, but I understand it now is out of the Committee on Public Works and that a rule is being sought, and the authorization will allow for the speedy completion of the inter-American highway.

The second item I want to report on is a trip that I took with other members of the subcommittee last Friday who went out to the National Airport and made an afternoon flight up to Atlantic City to a naval air base there to try to clear up some of the confusion that exists today between two systems of aviation safety facilities, namely, VOR-DME versus a new system which is called TACAN. The conclusion of all those that I have talked to who made that trip is that we had better go slow with TACAN and that it will be further investigated, preferably by the CAA.

The third matter I want to bring to the attention of the committee is the new system of accounting down in the National Bureau of Standards where so much of their funds previously have been accounted for through transfers. They now have sort of a revolving fund working down there. That will help us greatly in appropriating wisely for the National Bureau of Standards.

When we go back into the House, I expect to ask unanimous consent to place that report in the RECORD at this point.

DEPARTMENT OF COMMERCE,
NATIONAL BUREAU OF STANDARDS.

THE WORKING CAPITAL FUND OF THE NATIONAL BUREAU OF STANDARDS

INTRODUCTION

As a technique for effective fiscal management and cost ascertainment the National Bureau of Standards uses a working capital fund. This fund permits the NBS to utilize methods of fiscal management and cost control that are common to nongovernmental organizations. The concept of this fund is similar to revolving funds, and industrial funds which are used increasingly in the management of operations of an intragovernmental-service nature.

The NBS system was one of the early applications of the working capital fund technique. It is unique in certain respects, and, occasionally, its use has been confusing to persons responsible for reviewing the programs of the Bureau. The reasons for its use, and the major features of its operation are described here to clarify this aspect of the Bureau's management for those who need to understand, or are interested in, how the fiscal affairs of the Bureau are managed.

BUREAU ACTIVITIES

The National Bureau of Standards serves as a national laboratory for problems relating to the fundamental standards of measurement in the physical sciences. Within the fields of physics, mathematics, chemistry, and various branches of engineering, the Bureau engages in fundamental and applied research, development, calibration, and testing and provides a variety of technical and advisory services to science, industry, and Government. The programs of the Bureau are supported both by appropriations to the Bureau and by funds supplied by other agencies. During the past 6 years, appropriations to NBS for its own basic operations have ranged between \$6 million and \$8 million each year. The Bureau appropriations support between two and three hundred distinct projects in 15 technical divisions. During that same period, funds supplied by other agencies have ranged from \$10 million to \$45 million each year to finance several hundred projects throughout the Bureau.

PROBLEMS OF FISCAL MANAGEMENT

The type of work performed at NBS, and the large volume of work for other agencies creates many problems in accounting, budgeting, and other aspects of fiscal management. The following is a partial list of factors affecting these problems:

1. The transfers from other appropriations result in several hundred separate working fund accounts for which NBS is responsible.
2. Many projects receive support from more than one source.
3. Most of the employees in the technical divisions work on several projects during a year, and many of them work on more than one project during a pay period.
4. Indirect costs—supervisory, administrative, and maintenance costs—must be supported by the various appropriations and working funds.
5. Much of the equipment needed for the technical programs is used on more than one project.

6. For effective work, a large storeroom of various supplies and materials must be maintained and accounted for.

Prior to July 1, 1950, the Bureau had a regular appropriation-accounting system. The factors mentioned above created many problems which could be dealt with only in a makeshift manner. For example, a portion of each advance of funds from other agencies was deducted for overhead expense when

the advance was received, and therefore without regard to when, or whether, the portion of the fund for technical work was ultimately completely expended. The processing of payrolls was very cumbersome because the charges had to be related to the several hundred fund accounts in order to make the necessary disbursements. Thus, payments and management reports were both delayed by the processing of costs through the numerous funds, and techniques for splitting charges to two or more funds on shared services or items was very difficult.

DEVELOPMENT OF IMPROVED METHODS

During fiscal year 1950, the Bureau decided that fiscal control of the Bureau's program, at the scientific level and at management levels, would be improved by developing new methods of fiscal management, cost ascertainment, and reporting for each of the projects undertaken by the Bureau. Action on this problem was stimulated by complaints of the House Appropriations Subcommittee based on a report by their staff. Emphasis on solving this problem was also prompted by a General Accounting Office survey.

The problem was studied, and solutions proposed by a group of experts from the GAO, the Office of the Secretary of Commerce, and officials of the Bureau. This group concluded that the use of a revolving fund would aid in the solution of some of the Bureau's fiscal problems. Costs could be initially allocated to projects in a revolving fund which could be reimbursed by the supporting funds after payments were made to vendors and reports were prepared for management use.

In the course of establishing the revolving fund, attempts were made to deal with such problems as charging for equipment, charging for indirect costs, and allocating salary costs of personnel on leave. As a result, the revolving fund took on some of the aspects of a capital fund of a corporate organization. In the accounting system that was developed, provision was made for including accrued leave and depreciation of equipment as elements of cost, for recording charges for supplies and materials as cost only when the supplies were delivered to the point of use, and for distributing administrative and maintenance expense as indirect—or overhead—cost to all programs.

COMPARISON WITH OTHER USES OF REVOLVING FUNDS

It should be noted that revolving funds, stock funds, and similar financing techniques had been used previously in the Government, e. g., the Bureau of Engraving and Printing had recently been put on a working capital fund. However, so far as is known, practically all of these financing devices were applied to programs which were wholly of a service nature, and did not mix in one organization, or financing system, the availability of appropriated funds and the utilization of a revolving, or capital, fund. The authority for industrial funds in the Department of Defense was new at this time, and generally speaking, was being used only in the financing of supply depots, manufacturing, or other operations which were wholly charged to customer units. At NBS the use of a working capital fund introduced a unique concept: The NBS as an agency which has its own program appropriations would be contracting with itself (the fund). This concept can be stated in reverse: The WCF embraces all of NBS operations which are services provided for many customers, and one of these customers is the NBS program appropriations.

DESCRIPTIONS OF THE MAIN FEATURE

The working capital fund was established July 1, 1950, by the appropriation of \$3 million of working capital. (Due to an increase in the volume of work performed by the Bu-

reau, the Congress subsequently appropriated \$2 million of additional working capital.) The fund finances the initial cost of all work performed by the Bureau and is reimbursed periodically by the applicable appropriations and working funds. As of June 30, 1954, the principal of the fund consisted of \$5 million in appropriations and net donated assets such as buildings and grounds of over \$26 million.

For purposes of accumulating costs and for program management, the programs of the National Bureau of Standards are classified in a series of projects. Each distinct job undertaken by the Bureau, either for other agencies or as a part of the basic Bureau program, is identified as a project. Each project is assigned to an organization unit, for example, section or division, and is in one of four activity categories established for program budgeting: Research; development; testing, calibration, and specifications; and general technical services.

All obligations and costs incurred in the performance of a project are recorded for that project in the working capital fund. Direct costs include salaries, travel, materials, contractual services, and special equipment. In addition, indirect costs, or overhead, which include costs of supervision and administration of the technical divisions, depreciation of equipment, administration of the Bureau, and maintenance of Bureau facilities, are charged on a pro rata basis to all projects.

The charges to projects for salaries of personnel include, in addition to the hourly rate for productive time worked on the project, a charge for the amount of leave earned by employees while working on the project. The amount charged to projects for accrued leave is accumulated in a leave reserve account from which salary payments are made when the employees are on leave. Since an employee engaged in the technical programs of the Bureau will often work on more than one project during a given time period, some means is necessary to determine which project shall bear the costs of his salary when he is on leave. The method of charging for leave on an accrual basis provides a ready solution to that problem.

The Bureau maintains a large storeroom for frequently used supplies and materials. These supplies are purchased by the working-capital fund and carried as an asset of that fund until such time as they are requisitioned for use. At that time the cost of the supplies is charged to the requisitioning project.

The accounting system for the working-capital fund distinguishes between capital outlay and expenses. Equipment is purchased by the working-capital fund and carried as a fixed asset. The costs of equipment are recovered by charging the using projects for depreciation of the equipment. For equipment which is of general use in a technical division, the charge for depreciation is based on estimated life and is included as an indirect cost which is prorated to all projects in the division. For other equipment which is of special use only to certain projects, or for which use beyond the immediate fiscal year is uncertain, the entire cost of the equipment is directly charged to the using project; that is, the equipment is fully depreciated at the time purchased.

THE METHOD OF APPLYING OVERHEAD, INCLUDING THE BILLING DIFFERENTIAL

The major element of indirect cost to a project is for administration of the Bureau and maintenance of Bureau facilities. Administration includes the costs of executive direction and of central service activities such as personnel and accounts. Since the Bureau is responsible for maintenance of its buildings and grounds, the costs of this

activity are also included in Bureau overhead for proration to all projects.

The distribution of indirect costs to technical projects is based on salary costs in those projects. Each project is charged a percentage of its salary costs, the percentage being calculated to recover a total equal to the costs of the administrative and maintenance activities. For example, the administrative and maintenance programs of the Bureau were budgeted at about \$3.4 million for fiscal year 1955. Since salary costs in all technical projects were estimated to total \$11,040,000, an overhead rate of 31 percent of salary costs was derived.

The so-called billing differential arises from the fact that the Bureau does not charge all projects at a 31 percent overhead rate. Projects supported by Bureau appropriations are charged less than 31 percent and projects sponsored by other agencies are charged more than 31 percent. The difference between the amount charged to each group of projects and the amount which would be charged using the true or average rate has been termed the billing differential.

The rise of two overhead rates has its origin in the structure and size of the appropriations made to the Bureau for its own programs. For example, the Bureau received 3 appropriations in 1955: Research and testing, \$3,150,000 (for technical work only); radio propagation and standards, \$2,100,000 (for technical work only); and operation and administration, \$990,000 (\$740,000 for overhead; \$250,000 for other purposes).

It is estimated that, of the \$5,250,000 in the Bureau's 2 technical appropriations for 1955, approximately \$4,180,900 will be expended for salary costs. At a true overhead rate of 31 percent, the Bureau's appropriations should pay \$1,296,000 for overhead costs. However, the Bureau has available only \$740,000, equivalent to a rate of approximately 18 percent. The difference of \$556,000 is an increase in the amount charged to projects sponsored by other agencies and results in an overhead rate of about 40 percent.

The Comptroller General has criticized the billing differential practice and has stated that it is illegal and must be corrected. The elimination of the practice would simplify the administration of Bureau programs, permitting a uniform system of control and management for all projects. Also, elimination of the practice becomes more important as the Bureau approaches achievement of the program goals outlined in its budget request. A major goal is to achieve a better balance between work financed by its own appropriations and work financed by other agencies. As the ratio of NBS work to other-agency work increases, the billing differential and problems associated with it are magnified.

In its budget for 1956, the Bureau has requested funds be appropriated sufficient to permit the same rate on all projects, and that these operating moneys for the Bureau, technical and overhead, be in the same appropriation.

THE RESULTS OF THE SYSTEM

The operation of a project cost accounting system in the working capital fund has provided the solution to some of the accounting problems of the Bureau, and has enabled management control of Bureau programs at the project level. The cost accounting system lends itself readily to mechanized accounting operations, which in turn provides prompt and accurate accounting reports at several levels of detail. Summary statements of project costs are provided monthly for the use of project managers as well as central Bureau administration. More frequent interim reports on the status of the costs of a project are also available for project managers. Program costs are provided in readily usable form for presentation of the

Bureau's budget requests and for reports to sponsoring agencies. The total operations of the working capital fund are summarized in business-type statements monthly to reflect the changes in assets, liabilities, and categories of income and expense.

SOME REMAINING PROBLEMS

The operation of the working capital fund and the project cost accounting system has a significant effect on the manner in which the Bureau's budget requests are presented. In terms of program budgeting, the accounting system provides a wealth of detail concerning program costs. It also provides ready summaries of costs by objects of expenditure. However, such summaries can be provided only for direct costs in particular programs and indirect costs in total, regardless of the program which ultimately bears a share of those costs. That is, the costs of the various object classes of expenditures for the administrative program can be determined for that program in total, but not for the portion of that program which is borne by Bureau appropriations, since that portion represents merely a pro rata distribution of the total. Similarly, it is possible to provide summaries of personnel costs and man-years of effort directly devoted to specific programs, but personnel costs and man-years of effort in the administrative program are not directly relatable to specific technical programs.

A similar problem occurs with regard to analysis of filled positions or Bureau employment as of a given date. It is possible to present information concerning all positions or all persons on the rolls but it is not possible to present information of the number of positions for a particular appropriation or program. Since employees work on more than one project, the single position which an employee fills cannot be related to any one appropriation or program. Relating individual positions to specific programs would either distort the costs of the programs or be incompatible with the true costs as they are now recorded.

These are problems mainly in the use of fiscal and budget data by reviewing levels who are more accustomed to the normal governmental financial techniques. They are not problems in the day-to-day management of the Bureau.

EXAMPLES OF REPORTS

As has been indicated, the accounting system uses electric accounting machines, which permit a wide variety of reports at many levels between detail and summarization. The three most significant reporting documents are the individual project cost-summary statement, the budget report, and the business-type statements. Samples of each of these are attached.

The project cost summary is prepared monthly for each project. This report shows the accrued cost by object class for the current month, and the year to date, with the total obligations compared to the authorized budget for the project.

The budget report compares obligations with budget plans. Its comparisons distinguish between programs supported by bureau appropriations and work for other agencies. The levels of summarization are section, division, and Bureau totals.

The business-type statements are a series of reports which reflect the status of the working-capital fund as a commercial entity. Some of the most significant statements cover income and expense, balance sheet, stores inventory activity, profit and loss, and the sources and application of funds using commercial categories or nomenclature.

The first two reports are of primary significance in managing the programs of the Bureau. The business-type statements are used mainly in managing the special features of the WC fund, such as inventories, equipment, leave payments, and controlling

factors such as accounts payable and receivable, and profits and losses on fixed-fee work.

Examples of other reports prepared as a part of the working-capital fund accounting system and used in managing the Bureau's fiscal affairs can be supplied.

Mr. PRESTON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. ROONEY].

(Mr. ROONEY asked and was given permission to revise and extend his remarks.)

Mr. ROONEY. Mr. Chairman, appropriations bills, of course, can sometimes be quite dull. Money figures are not always most interesting. But, it seems to me that it should properly be observed at this time that with all this talk of the so-called Hoover Commission saving money for the taxpayers and helping to balance the budget, according to an article in today's Washington Daily News by Mr. Albert M. Colegroce, the Hoover suggestions made headlines but no results. Not one recommendation has been carried out. Now, you have spent substantial sums of the taxpayers' moneys for this Commission and its huge staff, but whatever recommendations they have made have not been accepted in the executive branch of the Government. It seems to me that the philosophy today of the Eisenhower administration is to spend, and spend, and spend. A perusal of the printed hearings of this subcommittee on the budget requests for the Department of Commerce will show some interesting items.

The following questions were asked and the following answers given by Assistant Secretary of Commerce Moore with regard to appropriations for the office of Secretary of Commerce:

Mr. ROONEY. Is it correct that the Secretary of Commerce, Mr. Weeks, fixed the sum of \$2.3 million for running the Office of the Secretary?

Mr. MOORE. Yes; that is correct.

Mr. ROONEY. Is this the highest amount in the history of the United States of America for the running of that office?

Mr. MOORE. I have not gone back to check. We can get that for you.

Mr. ROONEY. Well, is it?

Mr. MOORE. Yes.

It developed that when there was appropriated the amount \$1,300,000 in fiscal year 1950 for the running of the office of the Secretary of Commerce he administered over 42,000 or 43,000 employees, which appears at page 61 of the printed committee hearings, whereas with \$2.3 million now requested by Secretary of Commerce Weeks, he would administer but 36,000 employees.

The Eisenhower administration's philosophy with regard to trying to balance the budget might further be indicated in the following colloquy:

Secretary WEEKS. I have no comment particularly on the Bureau of Public Roads. That is self-explanatory. We have an amendment to the Inter-American Highway.

Mr. ROONEY. You want to add \$69,230,000 to the Inter-American Highway request?

Secretary WEEKS. Yes.

Mr. ROONEY. That would be something like \$75 million?

Secretary WEEKS. Yes. That has been discussed thoroughly in the administration.

Mr. ROONEY. Do you think that is a step toward balancing the budget, Mr. Secretary?

Mr. PRESTON. Let the record show general amusement on the part of the Secretary.

As we go further on we find that Mr. Williams, the Under Secretary of Commerce, at page 64 of the hearings, although everyone in the country knows that President Eisenhower in the campaign of 1952 promised to balance the budget and everybody thought that he was immediately going to proceed to balance the budget—we find the Under Secretary, Mr. Williams, saying:

Mr. WILLIAMS. I believe the budget will be balanced.

Mr. ROONEY. When?

Mr. WILLIAMS. Well, that was the point that I was leading up to. I think that at no time did Mr. Eisenhower, either in his campaign or afterward—

Mr. ROONEY. When was the last time the budget was balanced?

Mr. WILLIAMS. Set a time when the budget would be balanced; we are working toward that end.

Mr. ROONEY. Excuse me, Mr. Williams. When was the last time the budget was balanced, Mr. Nielson?

Mr. NIELSON. I do not have the exact date here; I will see if we can supply it.

Mr. ROONEY. I wish you would and would you please insert who was head of the executive department when the budget was balanced?

All right, Mr. Williams, I do not want to take too much time.

(The information requested follows:)

"The Federal budget submitted in January 1948 for fiscal year 1949 reflected estimated budget receipts of \$44,477 million and estimated expenditures of \$39,669 million. The Chief of the executive branch at this time was Harry S. Truman."

Then, the committee found in the proposed budget a request by Secretary Weeks for \$10,000 for entertainment expenses. I am glad that the committee unanimously agreed to turn down this request in toto because, although this country has profited and has succeeded in growing larger and becoming more healthy since the year 1933 under the Democratic administrations, we never had to spend \$10,000 for the Office of the Secretary, 1 of the millionaire Cabinet members, to entertain his friends and visitors. Let me call your attention to the following colloquy:

ENTERTAINMENT EXPENSES

Mr. ROONEY. Mr. Chairman, I am intrigued by an item at page 170 of the proposed committee print. It would seem that while the Department of Commerce has been trying to take over the Department of State for some little while, as I see it from where I sit, they are now going into the business of entertainment. Here is an item "\$10,000 of such transfers shall be available for entertainment." What is that for?

Secretary WEEKS. Who can answer that? I cannot.

Mr. ROONEY. Mr. Secretary, this is your budget.

Secretary WEEKS. Quite right, sir, but I cannot answer every item off the cuff.

Mr. NIELSON. Mr. ROONEY, there is an item of \$10,000 in here covering entertainment.

Mr. ROONEY. This is something new, is it not, Mr. Nielson? There were some few dollars in Maritime budget, as I understand it, a few years back, about \$1,025?

Mr. NIELSON. About \$1,125.

Mr. ROONEY. Now we are in the \$10,000 entertainment field.

Mr. NIELSON. This would provide, Mr. ROONEY, for allowing entertainment of top officials, international officials, who come to

this country and have to meet with top officials of the Department. The funds for this could not be provided through the State Department allowances which are provided through your committee for the Department of State.

There are also some instances in which businessmen come to the Department and it is necessary to have luncheons or other types of entertainment. That is the basic reason why this request is contained in the 1956 budget.

Secretary WEEKS. I can assure you—

Mr. ROONEY. Yes, Mr. Secretary.

Secretary WEEKS. I can assure you there is not much entertainment.

Mr. ROONEY. \$10,000 worth, if we give you your request.

Secretary WEEKS. If a businessman comes to me to talk strictly commerce business and we have lunch, I would pay that out of my expense. We are not wasting money on entertainment.

Mr. ROONEY. Would it be too much for us to expect what has been done over the years, that the person who comes to you would pay for your lunch rather than the other way around? I was under the impression we were trying to balance the Eisenhower budget, but when we see a huge budget such as the instant one before us and we find an item such as this included, we wonder whether or not there is a real intention to balance the budget as the American public were promised. Is that a fair question?

Secretary WEEKS. It is certainly a fair question. My answer is that there is every intention to balance the budget.

Mr. ROONEY. As of what date? You know you are not going to balance the budget if every department of the Government comes in with an increased budget such as the Department of Commerce.

Secretary WEEKS. I only know about this budget.

Mr. FLOOD. I have not heard an answer. Did you get an answer?

Mr. ROONEY. What would you use this money for, Mr. Secretary?

Mr. ROTHCHILD. May I give an example?

Mr. ROONEY. What do you use this money for?

Mr. ROTHCHILD. Perhaps this might clear it up a bit. I went abroad for the Department of State about a year and a half ago, and was told that if any entertainment was done for us on an official basis, we should return that entertainment for our hosts before we returned to the States. We were entertained by the British and did entertain them in turn. I had 23 people for lunch and gave the luncheon at the least expensive place, which was the officers' club, and I was allowed \$40 for the complete luncheon, which in Europe includes beverages.

Mr. ROONEY. Are beverages included in this \$10,000? You are talking about \$2 lunches.

Mr. ROTHCHILD. I am afraid it was more a \$10 lunch.

Mr. ROONEY. That is a pretty fair lunch in London; is it not?

Mr. ROTHCHILD. That is a pretty fair lunch anywhere.

Secretary WEEKS. Suppose we provide you with a statement on that.

Mr. ROONEY. We shall get to this later on when we get to the reading of the general provisions of the bill.

Mr. PRESTON. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, as was said by the distinguished gentleman from Maryland [Mr. MILLER]—and I serve with the gentleman from Maryland on the Armed Services Subcommittee as well—this bill came out with desirable though surprising unanimity.

I have only one or two observations to make, and the first one is not very important but it is one of those irritating little things you encounter in Washington that get under your skin.

In the years I have served on this subcommittee I have made a motion to eliminate this item every year and I have been getting more and more votes every year. This year I lost by only one vote. I even had the gentleman from Missouri, the chairman of the full committee, vote with me this year. One more year and I think I will have it.

I do not like the idea of going to the National Airport, the only airport in the country run by the Federal Government, and standing around there waiting for a plane and seeing a lot of kids and a lot of taxpayers with their noses up against that big window looking out at the aircraft. There is a beautiful big balcony out there. It has been there ever since we have built the place. But these kids and these taxpayers, who are running that airport, the only one they are running, have to pay 10 cents into some kind of a slot machine, whatever it is they have there, before they can walk out on that balcony, their own balcony, to watch the aircraft just come in and go out. I think that is an outrage. If I sit on this committee long enough, someday I am going to get it knocked out of there, so that you can go over to that airport with those kids and they can walk through the door and see all they want to for nothing.

Another problem I want to bring to your attention is in connection with the Panama Canal, the operation of the zone and the corporation. Down there you have 3,700 American citizens; and actually they are. But we have a tendency up here most of the time to treat them like second-class citizens or colonials down there. We give them a 25-percent differential, but that is not the point. You try to live down there and raise your children as those people do. They come from your hometown as they come from mine. They have no objection to bearing their tax burden like other American citizens, but if the Congress of the United States sees fit to raise tolls or to raise any other operating expenses of the canal, that is all right with them, but they do not believe and I agree with them that if the Congress does raise the operating cost the American citizens who work for the Canal Zone should be forced to bear a higher proportionate share of those costs than any other citizens. All they want to do is bear their own equal share as American taxpayers. What in the world is the matter with that?

Second, I direct your attention to the testimony on this bill, the hearings, where for some length of time I examined the Governor of the Canal Zone and the Chairman of the Canal Company, who is the same fellow. He wears two hats in connection with this whole operation. Those who are interested can see it there. I will not take the time of the Committee to detail that. But I want to mention in passing that this Congress spent dozens of thousands of dollars to renovate the three little ships

run by this Canal Company to the zone from New York. For no reason at all that I can find in this record the board of the Canal Company made one of those ships, the *Panama*, a freighter. Two weeks later, for no reason, again, they changed their minds and made her a passenger ship.

There is a classic example of how this kind of thing should not be done—clearly the problem was not thought out or it would never have happened. There is much I could say about this whole thing but I will let it pass for the time being. These matters are of importance to you as well as to the Appropriations Committee.

Mr. CLEVENGER. Mr. Chairman, we have no requests at this time.

Mr. PRESTON. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Salaries and expenses: For expenses necessary for collecting, compiling, and publishing current census statistics provided for by law; and for general administration, including enumerators at rates to be fixed without regard to the Classification Act of 1949, as amended; \$6,200,000.

Mr. BOLLING. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the appropriation bill now before us eliminates from the Commerce Department appropriation all of the increases for economic statistics which the budget requested. It happens, Mr. Chairman, that I am a member and the chairman of the subcommittee on economic statistics of the Joint Committee on the Economic Report. This subcommittee was first established during the 83d Congress. The distinguished gentleman from Iowa [Mr. TALLE] presently a member of the committee, was at that time chairman. During its hearings on the President's economic report this year, the Joint Committee on the Economic Report, which as all Members know, is composed of Members of both parties from both the House of Representatives and the other body, had a special panel discussion on the problem of statistics, and in its report recommended that the provisions of the budget be adopted by the Congress so far as they affect economic statistics. The reason for this unanimous approach to this particular problem is very simple. The decisions which are made on a daily basis by business large and small, by all elements of our economy, by farmers, labor organizations, by government at all levels, including the Federal level, and by the legislatures of the several States as well as the Federal Government, are to a large degree in the economic field based on the factual knowledge which is at hand, most often in the form of statistics. There is absolutely no disagreement on the part of any special interest group in the country with regard to the need for improved statistics in a great many different fields. This program of improving our statistical information has the support of business, labor, and of organized farm groups. I think it is something that Congress over the years

has tended to slight and tended to treat as an expendable item. I recognize the mood of the House and I am aware of the respect which all Members of the House hold for this subcommittee of the great Committee on Appropriations, a respect which I share; but I am hopeful that this year the other body will include at least some of the funds which are needed to move forward with a program which has been recommended by this administration and which is supported unanimously by a committee comprised of Members of both the House and the other body, by both Republicans and Democrats. Permit me to give you an illustration. There was requested in the budget money to improve statistics on construction. Today, one of the reasons that we are having a boom in many parts of the country is that there is an unusually high level of construction going on. It happens, however, that the statistics for the field of construction are among the least adequate, the least accurate. They prove out less often, in the light of actual factual knowledge, than do many other statistical efforts. If we had full knowledge of what is actually going on in the construction field today, we might be able to make wiser decisions with regard to the future plans of the economy. When I say that I mean not only those of us in Government but people in private enterprise who are making almost daily economic decisions of very great importance.

This is a subject which may seem dull to some, but a subject to which I think the Congress individually and collectively should give more attention than it has been willing to do in the past.

Mr. Chairman, the unanimous report of the Joint Committee on the Economic Report on the January 1955 Economic Report of the President included the following statement under "Findings and recommendations"—Senate Report No. 60, page 4:

We strongly urge that the Government improve its economic statistical programs. Important steps forward have been made and recommended in the President's budget. Witnesses at our recent hearings were unanimous in urging congressional action. We trust the Appropriations Committees will give these requests sympathetic consideration and approval.

This conclusion was reached after careful investigation, extending back over the past year, of whether the Government's present economic statistics are adequate for the uses to which they are now put—particularly for purposes of economic analysis. Hearings were held last July by the joint committee's newly established Subcommittee on Economic Statistics, at which outstanding and representative economists and statisticians were asked to testify concerning the kind of statistics and other economic information specifically needed for analysis of the economic plans and expectations of consumers, Government, and business.

As a result of these hearings and its study of the problems raised, the committee issued a progress report—House Report No. 2628—presenting a number of preliminary findings and recommendations. Important among these findings were that, first, private economic

interests and Government policymakers require an increasing quantity and improved quality of economic statistics; and, second, the principal stumbling block to providing an adequate economic statistical program is the lack of financial support.

The President's budget estimate for 1956 contained a number of increases for statistical programs, designed to meet the needs and correct the shortcomings which were stressed in the committee hearings last summer. The specific programs included in the agency appropriation requests for 1956 were again reviewed by the joint committee, when it held a hearing on economic statistics as part of its series of hearings on the 1955 Economic Report. Representatives of business, labor, and research organizations testified in the session on economic statistics, and without exception endorsed the proposed increases as necessary to correct major deficiencies in our statistical information.

This was the background against which the joint committee reached its unanimous recommendation urging support and improvement of economic statistical programs.

A number of these programs were included in the appropriation requests for various units within the Department of Commerce—specifically, the Bureau of the Census, the Business and Defense Services Administration, and the Office of Business Economics. None of these increases was allowed by the House Committee on Appropriations in its report on the Department of Commerce appropriation bill for 1956—Report No. 603.

Following are the specific increases in the Department of Commerce which the Joint Committee on the Economic Report has unanimously endorsed:

In the Bureau of the Census, under "Salaries and expenses":

Annual sample survey of retail trade.....	\$99,207
Annual sample survey of manufactures.....	257,900
Improvement of labor force and unemployment statistics.....	563,115
Improvement of data on State and local government finances.....	95,000
Administrative and miscellaneous.....	184,778
Total increase.....	1,200,000

Also in the Bureau of the Census, \$500,000 was requested for an Inter-censal Housing Survey to obtain information on the number and characteristics of the Nation's housing units. The need for this survey was emphasized at the Joint Committee's recent hearings on economic statistics.

In its report, the Appropriations Committee reduced the amount requested for completion of the census of agriculture by \$500,000, and the amount for completion of the censuses of business, manufactures and mineral industries by \$655,000. Reductions in the final requests for these censuses mean a decrease in the tabulation, analysis, and publication of data already collected at great expense.

The budget estimate for the Business and Defense Services Administration included an increase of \$800,000 for the construction statistics program. This

increase was designed to correct deficiencies in the present statistics on new construction activity and to allow for compilation of data on expenditures for alterations and repairs, materials requirements, and residential vacancies.

In the Office of Business Economics an increase of \$100,000 was included in the budget estimate, and endorsed by the joint committee, to allow for improvements in the national income and gross national product accounts. The report of the House Committee on Appropriations recommends an increase of \$75,000 for the Office of Business Economics, but for a totally different purpose—"to finance a special study of unemployment throughout the country."

As Chairman of the Subcommittee on Economic Statistics of the Joint Committee on the Economic Report, I urge that these increases, which are requested to meet the needs of both the legislative and executive branches of the Government for more accurate information on our economy, be included in the 1956 appropriation for the Department of Commerce.

Mr. TALLE. Mr. Chairman, I want to underwrite the comments made by the gentleman from Missouri [Mr. BOLLING] and emphasize the great need for improving economic statistics.

The Employment Act of 1946 provided for the establishment of what is called the Joint Committee on the Economic Report, comprising 7 Members of the House and 7 Members of the Senate. This joint committee last year appointed a Subcommittee on Economic Statistics. The membership of that subcommittee was the gentleman from Kansas, Senator FRANK CARLSON; the gentleman from Missouri, Representative RICHARD BOLLING; and myself, as chairman.

This subcommittee went about its business earnestly and held significant hearings on July 12 and 13, 1954. Co-operating in these hearings were Dr. Arthur F. Burns, Chairman of the President's Council of Economic Advisers, and Mr. Rowland R. Hughes, Director of the Bureau of the Budget, both of whom testified the first day. On the second day panel discussions were held and participating in those discussions were representatives of eight departments and agencies of the executive branch of the Government, 12 expert witnesses thoroughly schooled in economic statistics and representing industry and business broadly defined. This group of witnesses cooperated earnestly and enthusiastically with the subcommittee, and for the first time it was possible to have an exchange of views and suggestions among persons representing Government administration, business administration, and lawmaking.

Briefly stated, the conclusion of this group was that there is great need for more, better, and prompter economic statistics.

Recognizing the validity of this conclusion, the subcommittee recommended to the Joint Committee on the Economic Report that the President be informed of this need.

In his budget message last January, the President acted on this recommenda-

tion and called attention to the need emphatically by including in his message what is called a special analysis and a request for a \$4.5 million increase in appropriation for improved work in economic statistics. This part of the budget message was unique.

I express the hope that the cut in appropriation made by the House Committee on Appropriations may be restored before final enactment of the bill now under consideration, so that this need which has been scrutinized and demonstrated with the greatest of care, and which is in line with the President's recommendations, may be met. There is no substitute for accurate information on which to base decisions. Accurate and up-to-date economic statistics are invaluable to Government and to private business alike.

Mrs. SULLIVAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. SULLIVAN: On page 2, line 12, strike out "\$6,200,000" and insert in lieu thereof the following: "\$6,225,000, of which \$25,000 shall be for the purpose of gathering and publishing monthly reports of coffee stocks on hand in the United States."

Mr. BOW. Mr. Chairman, I make a point of order against the amendment that it places additional responsibilities upon the Secretary to publish monthly reports. I find no basic legislation which would authorize this sort of a survey to be made.

The CHAIRMAN. Does the gentleman from Missouri care to be heard on the point of order?

Mrs. SULLIVAN. Yes, Mr. Chairman.

Under Public Law 671 of the 80th Congress, it has been authorized that these reports and statistics be made. I had a letter from the Department of Commerce, Bureau of the Census, stating that they are authorized to make this study, but they do not have sufficient funds. I looked this matter up last year when the same thing was before the House.

Mr. BOW. Mr. Chairman, I will reserve the point of order.

The CHAIRMAN. The point of order is reserved and the gentleman from Missouri is recognized for 5 minutes.

PROTECTING OURSELVES AGAINST ANOTHER FAKE
COFFEE SHORTAGE

Mrs. SULLIVAN. Mr. Chairman, my amendment is intended to close a serious gap in our statistical information involving America's biggest import item—coffee. Everyone knows how we were victimized from late 1953 to mid-1954 and thereafter by a fake shortage of coffee. Hoarding and speculation ran rampant, and the consumer was held up and robbed. Hundreds of millions of dollars were taken out of the pockets of American consumers in tribute to a shortage which never existed.

It has recently been revealed that the former Brazilian Government administration was even participating directly in gambling on the New York Coffee and Sugar Exchange in an attempt to keep coffee prices unnecessarily high. That is how far reaching this price-raising

drive actually was. Our coffee roasters overbought at excessive prices in fear of a shortage; the consumer paid exorbitant and unconscionable prices; yet all this time there was no shortage. But we did not know that for sure, for the statistics once kept by the Census Bureau on coffee stocks on hand had been discontinued. A year ago, I was successful in having the House agree to renew those studies. But the amendment was killed in the Senate, either under a misapprehension or deliberately, but the impression was given that the studies would be made in any event.

The studies were not and are not being made. The State Department believes we should have this information; so does the Federal Trade Commission. The Census Bureau says it can provide it for only \$25,000 a year. Think of that—only \$25,000 a year to protect us against a swindle of hundreds of millions of dollars.

The gentleman from Georgia [Mr. PRESTON] took this matter up at my request in the subcommittee hearings but, unfortunately, the Bureau's answer was off the record. I inquired about that, and discovered that it was based on fear that if we had up-to-date information on coffee supplies on hand, it was possible the roasters might at some time in the future, if supplies were clearly shown to be short, be held up for a higher price.

On the other hand, just imagine what happened to all of us last year because we did not have such information. We were taken in by a hoax—by a mythical shortage. And so, I might say, were the roasters.

We would all be much, much better off to have the facts.

Mr. Chairman, I wish to quote one paragraph from a letter written to me by the Assistant Secretary of State, Mr. Thruston B. Morton, on April 27, 1955, in which he says:

In the opinion of this Department it would be very useful to have information on inventories of coffee held in the United States collected on a quarterly basis if possible. The prospective supply position cannot be evaluated properly without such information. Although stocks normally constitute a relatively minor part of the total supply they can be of great importance in a situation such as that which arose last year, when frost damage to the Brazilian crop threatened to reduce supplies below current requirements.

I wish also, Mr. Chairman, to insert in the RECORD at this point a short excerpt from the hearings, pages 683 and 684, dealing with the matter of census of coffee inventories.

(The matter referred to follows:)

The next item has to do with coffee inventories. The Congresswoman from Missouri, Mrs. SULLIVAN, has been trying to have coffee inventories made in this country, and funds were contained in the House bill last year for that purpose, but were knocked out in conference since the Senate did not approve that item. Mrs. SULLIVAN has received a letter from the Department of State which I will insert in the record immediately following my remarks, indicating it would be a very desirable and helpful thing to have such a census made since coffee ranks first in value among United States imports at this time.

Under the studies that you now make of wholesale inventories, could this study be included without specifically earmarking funds?

Mr. GRIEVES. We did conduct a survey of coffee stocks as of the end of 1954, the results of which have been published.

Mr. PRESTON. Will that be a continuing study?

Mr. GRIEVES. There is no specific appropriation for it. It is not a very expensive project. We could do it at a reasonable frequency, but not every month.

Mr. PRESTON. You could do it quarterly and have a fairly accurate idea of the coffee inventory, could you not?

Mr. GRIEVES. If I may make a statement off the record.

Mr. PRESTON. All right.

(Discussion off the record.)

Mr. PRESTON. Back on the record. I am glad to hear you state that you can continue this program, because it no doubt would have some value to the consuming public.

(The complete letter from the Honorable Thruston B. Morton, Assistant Secretary of State, is as follows:)

DEPARTMENT OF STATE,

Washington, April 27, 1955.

HON. LEONOR K. SULLIVAN,

House of Representatives

DEAR MRS. SULLIVAN: I refer to your telephone request to Mr. Cale for the Department's views regarding the desirability of obtaining periodically, through the Census Bureau, information on coffee inventories in the hands of United States importers and roasters. Such information was compiled during the period of the Second World War, as you know, and was very useful to the Government in appraising the supply position on coffee. It is my understanding that the service was discontinued after the war as an economy measure, and that only 2 spot studies have been made in recent years, 1 in 1951 and another at the end of 1954.

In the opinion of this Department it would be very useful to have information on inventories of coffee held in the United States collected on a quarterly basis if possible. The prospective supply position cannot be evaluated properly without such information. Although stocks normally constitute a relatively minor part of the total supply they can be of great importance in a situation such as that which arose last year, when frost damage to the Brazilian crop threatened to reduce supplies below current requirements.

Coffee ranks first in value among United States imports at the present time. The outlook for coffee supplies and coffee prices is a matter of very real concern to United States consumers, and to the producing countries as well. Yet statistical information on this commodity is notably poor, as the Federal Trade Commission pointed out in its Economic Report on Coffee, published last year. I believe you are aware that the United States agreed, at the recent economic conference in Brazil, to participate with representatives of the producing countries in a study of the long-run outlook for coffee. It is already apparent that the working group will be hampered in its efforts by the inadequacy of the statistical data available. Any action which the United States is able to take to fill the gaps in our information on the coffee situation would be most helpful to study groups such as this one. It might also serve, by example, to encourage other countries with an interest in coffee to improve their own statistical services. The work involved in compiling this information would be done in the Department of Commerce and the State Department is, of course, not in a position to judge whether it could be carried

out under the existing appropriations of that Department.

Sincerely yours,

THRUSTON B. MORTON,
Assistant Secretary.

Mrs. SULLIVAN. Also in this connection I wish to include as part of my remarks a letter addressed by me, under date of May 20, to Mr. Burgess, the Director of the Bureau of the Census, and his reply to me of the same date, also a release from the Department of Commerce under date of March 4, 1955, dealing with green coffee inventories and roastings of 1954.

The matter referred to follows:

MAY 20, 1955.

HON. ROBERT W. BURGESS,
Director, Bureau of the Census,
Washington, D. C.

DEAR MR. BURGESS: Will you please prepare for me and have in my office by noon Monday, if possible, a statement on just what the Bureau of Census can, or cannot do, in regard to collecting statistics on coffee supplies on hand in the United States under:

1. The appropriate budget item (and please indicate which one it is);
2. The bill as reported from the House Appropriations Committee;
3. Also, will you please give me a definite figure on how much it would cost to provide monthly statistics on the amount of coffee on hand in the United States, including supplies in the hands of the importers and roasters?

In connection with the hearings by the Appropriations Subcommittee, Congressman PRESTON attempted to find out for me just what your plans were in this respect. Page 684 of the printed hearings reveals that when he asked Mr. Grieves how you could handle this problem of collecting coffee statistics, the answer was off the record.

I should like to have, on the record—unless national security is involved—the true facts on this situation. I feel that I have been given a deliberate run-around on this whole matter. I feel the Census Bureau has been partly responsible for our failure to have adequate statistics last year on the stocks of coffee on hand, and thus partly responsible for the unnecessary continuation of excessive coffee prices down to the time of the Federal Trade Commission Report. Last year, as you know, I succeeded in having an amendment accepted by the House to earmark \$10,000 for this work of collecting and publishing monthly statistics on coffee supplies.

The testimony by the Census officials before the Senate Appropriations Committee last year apparently gave the Senators the impression these reports would be made without specific earmarking of funds as provided in my amendment. I know what you intended to inform them—that is, if you received the full budget request, you could make these studies and would prefer not to have the amount earmarked specifically. But that is not the impression they got, and the result was that you did not make the monthly reports.

Therefore, I would like to have, by noon Monday, a statement on what you can, or cannot do, under the bill as reported to provide these monthly statistics, and how much it would require for you to provide them.

Sincerely yours,

LEONOR K. (Mrs. JOHN B.) SULLIVAN,
Member of Congress,
Third District, Missouri.

DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, D. C., May 20, 1955.

Hon. Congresswoman LEONORE SULLIVAN,
House of Representatives,
Washington, D. C.

DEAR MRS. SULLIVAN: This is in reply to your letter concerning the Census Bureau and coffee statistics dictated over the phone to my secretary today.

You ask what the Census Bureau can or will do in regard to collecting statistics on coffee supplies in the United States. The answer in general is that the Census Bureau has the legal authority but lacks the appropriation to conduct a monthly survey on coffee stocks in the hands of importers and roasters. Under the law if the data are gathered more often than once a year the filing of a return is wholly voluntary.

The cost of compiling a monthly report on coffee stocks in the hands of importers and roasters would be approximately \$25,000 to \$30,000 per annum. The exact figure would depend largely on the amount of effort which would have to be expended in obtaining returns and in keeping the mailing list up-to-date. Incidentally, a quarterly survey would cost approximately \$10,000 per annum.

The only appropriation made to the Census Bureau which could be legally employed to finance a coffee survey would be the item "salaries and expenses." There is currently no provision in this item for a coffee survey.

You call attention to the fact that Mr. Grieves made a statement off the record in connection with the Appropriations Committee discussion of coffee statistics. For your information, Mr. Grieves briefly reviewed one of the rather delicate aspects of a voluntary reporting system which arises when the interest of the reporting companies may be adversely affected by publication of the results. There is a feeling in the trade that publication of the stock figures on occasion places the American purchasers of coffee at a disadvantage in dealing with tightly controlled foreign sources of supply. Therefore, as a practical matter, this is not alone a question of funds but also of the ability of the Census Bureau to collect sufficient returns to provide reliable estimates.

I can assure you, Mrs. SULLIVAN, that the Census Bureau has no motive other than that of providing the most useful public service with the limited funds at its disposal. We cannot begin to undertake all of the surveys which are urged upon us, nor could we for long operate if appropriations were not provided to carry out additional surveys.

The Bureau will be glad to consider conducting a quarterly coffee stock reporting program in the coming fiscal year provided there is general concurrence amongst the interested agencies of the Government that this is a desirable project in relation to other projects as yet unfinanced, and as indicated above, provided that the continued cooperation of holders of the coffee stocks can be obtained.

In closing, may I remind you that the Census Bureau did conduct a year-end coffee survey showing the change in the stock position during the year 1954, largely because of your interest in the subject and without the assistance of any appropriation. The Census Bureau is always anxious to meet important needs and I only wish it were possible for me to assure you that circumstances permitted the monthly operation of this project in which you are so sincerely interested.

Sincerely yours,

ROBERT W. BURGESS,
Director, Bureau of the Census.

UNITED STATES DEPARTMENT OF
COMMERCE,
Washington, D. C., March 4, 1955.

GREEN COFFEE INVENTORIES AND ROASTINGS:
1954

Inventories of green coffee held by roasters, importers, and dealers in the United States totaled 2,144,000 bags on December 31, 1954, a decrease of 35 percent from the 3,315,000 bags held on December 31, 1953, according to an announcement made today by Robert W. Burgess, Director, Bureau of the Census. Coffee roasting during 1954 totaled 17,601,000 bags, a decrease from amounts roasted during 1951 (19,051,000 bags) and 1950 (18,416,000), the 2 most recent years for which roastings were measured by the Bureau of the Census. The low level of coffee roasting was also reflected by imports of green coffee, which were at their lowest level since 1943. Imports amounted to 17,072,000 bags during 1954, a decrease of 19 percent from 1953 imports of 21,017,000 bags.

Green coffee inventories reported for the year-end 1954 were at the lowest level for any year-end period measured in surveys conducted by the Bureau since 1948 (Census data for 1952 are not available). Roastings during the first quarter 1954 were at a comparatively high level compared with those for 1949 through 1951, but for the other three quarters of 1954 were generally lower than for those years.

Of the total amount roasted during 1954, 2,052,000 bags—or 12 percent of total roastings—were used for soluble coffee. However, this amount was 32 percent of the total roastings of those firms which reported roastings for soluble coffee during 1954.

DESCRIPTION OF THE SURVEY

Estimates of green coffee inventories and roastings shown in this release represent industry totals based on reports received from virtually all known roasters, importers, and dealers of green coffee.

Inventories of green coffee were held by approximately 850 firms at the end of 1954, of which 730 did roasting. Included are firms which do contract roasting for the trade and those who own green coffee but have it roasted for them under contract. Not included are wholesalers who purchase and sell roasted coffee but do no roasting and own no green coffee. Data on green coffee inventories in this report are limited to stocks which have cleared customs and are in the United States. Stocks in foreign trade zones or those held for, or roasted by, the military services are not included.

Data on imports shown in this release were compiled by the Bureau of the Census as a part of its foreign trade statistics program.

TABLE 1.—Total inventories of green coffee held by roasters, importers, and dealers: Year-end 1948–51, 1953, and 1954

[Standard bags of 132.276 pounds each]

Date:	Inventories
Dec. 31, 1954.....	2,144,000
Dec. 31, 1953.....	3,315,000
Dec. 31, 1952.....	(¹)
Dec. 31, 1951.....	2,759,000
Dec. 31, 1950.....	2,936,000
Dec. 31, 1949.....	3,355,000
Dec. 31, 1948.....	3,083,000

¹ Census data not available.

TABLE 2.—Total coffee roasted (excluding roasting by military service)
[Standard bags of 132.276 pounds each]

Period ¹	Amount roasted			
	1954	1951	1950	1949
Annual total.....	² 17, 601, 000	19, 051, 000	18, 416, 000	(³)
1st quarter.....	5, 629, 000	5, 216, 000	4, 369, 000	5, 238, 000
2d quarter.....	3, 873, 000	4, 397, 000	4, 313, 000	(³)
3d quarter.....	3, 367, 000	4, 287, 000	5, 178, 000	4, 993, 000
4th quarter.....	4, 732, 000	5, 151, 000	4, 556, 000	5, 925, 000

¹ Roasting not available for years 1952 and 1953.

² Of this amount, 2,032,000 bags of green coffee were used for soluble coffee.

³ Not available.

TABLE 3.—United States imports for consumption of raw or green coffee
[Standard bags of 132.276 pounds each]

Period	Imports
1954.....	17, 072, 000
1953.....	21, 017, 000
1952.....	20, 266, 000
1951.....	20, 301, 000
1950.....	18, 424, 000
1949.....	22, 060, 000
1948.....	20, 947, 000

Mr. GROSS. Mr. Chairman, will the gentlewoman yield?

Mrs. SULLIVAN. I yield to the gentleman from Iowa.

Mr. GROSS. The gentlewoman from Missouri has offered an excellent amendment. I would point out to her that this speculation really started back in 1949 and 1950 when the ECA, the Economic Cooperation Administration, bought 61 million pounds of coffee and shipped it over to foreigners. That was the lever that was used to pry the lid off coffee prices, and the gouging of housewives followed.

Mrs. SULLIVAN. Does not the gentleman agree, though, that this study and these statistics would be of great value?

Mr. GROSS. I certainly think so. I support the gentlewoman's amendment. I only wish that statistics regarding the importation of canned Polish hams and bacon could be included.

Mrs. SULLIVAN. I thank the gentleman, and I urge, Mr. Chairman, that my amendment be adopted. If it is, who knows—we may again have a 5-cent cup of coffee.

Mr. BOW. Mr. Chairman, I renew my point of order.

The CHAIRMAN. The gentleman from Ohio makes a point of order against the amendment offered by the gentlewoman from Missouri on the ground that it is legislation on an appropriation bill and not authorized.

The gentlewoman from Missouri supports her contention by citing Public Law 671 of the 80th Congress. The Chair has had opportunity to refer to this public law. It states that the Director of the Bureau of the Census is authorized to "compile and publish censuses of manufacturers, mineral industries, and other businesses." The Chair is of opinion that the language of this section is sufficiently broad to cover the proposed amendment, and that the amendment offered by the gentlewoman from Missouri is in order.

The point of order is overruled.

Mr. BOW. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I call attention to page 683 of the hearings wherein the distinguished gentleman from Georgia [Mr. PRESTON], chairman of the subcommittee, brought to the attention of the Bureau of the Census and Mr. Grieses commented on the situation. I read from the hearings as follows:

The next item has to do with coffee inventories. The Congresswoman from Missouri, Mrs. SULLIVAN, has been trying to have coffee inventories made in this country, and funds were contained in the House bill last year for that purpose, but were knocked out in conference since the Senate did not approve that item. Mrs. SULLIVAN has received a letter from the Department of State which I will insert in the RECORD immediately following my remarks, indicating it would be a very desirable and helpful thing to have such a census made since coffee ranks first in value among United States imports at this time.

Under the studies that you now make of wholesale inventories, could this study be included without specifically earmarking funds?

Mr. GRIEVES. We did conduct a survey of coffee stocks as of the end of 1954, the results of which have been published.

Mr. PRESTON. Will that be a continuing study?

Mr. GRIEVES. There is no specific appropriation for it. It is not a very expensive project. We could do it at a reasonable frequency, but not every month.

Mr. PRESTON. You could do it quarterly and have a fairly accurate idea of the coffee inventory; could you not?

Mr. GRIEVES. If I may make a statement off the record.

Mr. PRESTON. All right.

(Discussion off the record.)

Mr. PRESTON. Back on the record. I am glad to hear you state that you can continue this program, because it no doubt would have some value to the consuming public.

From that you will see that the chairman of the committee said it would be well if these censuses could be had quarterly and the representative from the Census Bureau said that under existing provisions they could be made quarterly.

I submit, Mr. Chairman, that the inventory has been made and they can now make these inventories quarterly without any additional amount. Coffee prices are going down and cost of statistics are going up. I hope that the amendment will be defeated.

Mrs. SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. I have a letter from the Bureau of the Census in which they state that they do not have the funds, that if they made this quarterly it would

require \$10,000 a year. That is what we asked for last year. If they made it monthly it would take between \$25,000 and \$30,000 a year. I have submitted a letter to be put in the RECORD that states both of those figures.

Mr. BOW. I submit to the gentlewoman that before the committee they did testify as I have read. I am sure the gentleman from Georgia [Mr. PRESTON], who conducted the hearings, will bear me out that they did say they made a census in 1954 and they could make it quarterly on the present budget. I am depending on their testimony.

Mrs. SULLIVAN. I called to find out what off-the-record statement was made. I asked them if they could give me the information that would not divulge anything that might hinder the security of our country. They told me that is what they had said, that because of the fact there was a delicate situation existing between countries they did not want to have any open hearings, but that they did not have the funds to make this study. They did make it once last year.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Iowa.

Mr. GROSS. Do I understand that the statement that they have the funds to make a survey was made off the record?

Mr. BOW. It is now in the record, that they could continue to make it quarterly for the same amount.

Mr. GROSS. Where in the record?

Mr. BOW. The gentleman from Georgia [Mr. PRESTON] said he was glad to hear that; so they could continue on the same basis; the quarterly basis.

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Georgia.

Mr. PRESTON. The gentleman from Ohio has correctly stated the facts. I specifically inquired about it and did my very best to take care of the charming gentlewoman from Missouri in conducting these hearings and I thought we had done pretty well.

Mr. GROSS. What I am reading is:

Mr. PRESTON.. Back on the record. I am glad to hear you state you can continue this program.

It does not say anything about on a quarterly or monthly or annual basis.

Mr. BOW. In the testimony ahead there the gentleman from Georgia [Mr. PRESTON] asked whether it could be done on a quarterly basis.

Mr. GROSS. That is off the record.

Mr. BOW. That is on the record. Then he came back on the record and said he was glad to hear it can be continued on that basis.

Mr. GROSS. We would be clearer as to what the Appropriations Committee does if it would stay on the record more often than it does.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Missouri [Mrs. SULLIVAN].

The question was taken; and on a division (demanded by Mr. PRESTON) there were—ayes 35, noes 51.

Mrs. SULLIVAN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mrs. SULLIVAN and Mr. PRESTON.

The Committee again divided; and the tellers reported that there were—ayes 54, noes 61.

So the amendment was rejected.

The Clerk read as follows:

Establishment of air-navigation facilities (liquidation of contract authorization): For liquidation of obligations incurred under authority heretofore granted under this head to enter into contracts, \$7 million.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to discuss briefly one of the controversies raging in the field of aviation today, relating to the question of the superiority of one type of air navigation facility over another. For some time the Civil Aeronautics Administration has been developing an air navigational system known as VOR-DME. The VOR part of the system refers to directions; DME is a distance-measuring device. With both, the position of an aircraft in terms of direction and distance from a particular object can be determined.

During the last few years the military has been developing an air navigational equipment which it has called TACAN, which it claims is superior to VOR-DME. I don't know whether it is. As a matter of fact, I don't know whether anybody knows whether it is superior, even the so-called experts in the field. I think for our purposes, however, it is unimportant because even in the event it is found to be superior equipment to DME, it will not be available for a minimum of 5 years and, therefore, cannot take care of present flying needs. DME is usable at the present time and DME will make flying safer.

For the last few years we have been appropriating money for the installation of DME ground facilities and there is an appropriation in this bill for that purpose. Unfortunately, however, there seems to be no disposition on the part of the airlines to install the corresponding DME equipment into their planes so that the DME ground installations are of no value whatsoever. Of all the thousands of aircraft in our country, only about 250 have installed DME instruments. It makes no sense to me that we should appropriate funds to put the finest air navigation equipment on our airports in order to make aviation safer when the airlines refuse to purchase the instruments needed to take advantage of the ground installations. Some say it is because of the pending issue which would require the airlines to pay a user fee for facilities installed by the Federal Government. Others say it is because of the cost of installation of DME aircraft equipment, which I am told is about \$6,000 per instrument at the present time. Others say it is because TACAN is a better system than the VOR-DME system. It seems to me that none of these reasons is valid when the question of air safety is involved.

Experts to whom I have spoken, however, assured me that DME will promote

safety. With DME the pilot will know his exact position at all times instead of occasionally, as is now the case. Collisions with mountain tops which still occur due to unknown positions will be a thing of the past. DME will increase efficiency in air navigation, as better navigational control of aircraft is the natural result of continuous position and speed information.

Those of us who come from metropolitan areas know that the air space over our airports is shrinking quickly as more and more flights are added to regular schedules. I am told that Midway Airport in the city of Chicago dispatches a plane or lands one every 40 seconds. Present equipment requires that there be a distance of 30 miles clearance on every level for each plane flying. With DME equipment this distance could be shortened to about 5 or 6 miles so that instead of being spaced every 30 miles, planes could be spaced in shorter clearance distances. More aircraft could be utilized under these operating conditions.

I do not know how the airline companies can be compelled to install DME equipment. I would have liked to be able to offer an amendment to this appropriation bill which would have required them to install DME equipment in their planes, because I consider it so necessary for more efficient and safer operation. This is an appropriation bill, however, and such legislation would be out of order.

The military believes that TACAN is better. The Civil Aeronautics Administration is of the opinion that DME is better. TACAN will not be available for 4 or 5 years. DME is available now. I think some way has to be found now to require the airline carriers to install DME equipment, and I would urge the CAA to do so as quickly as possible.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. HORAN. I would call attention to page 314 of the hearings, where Colonel Taylor was discussing these two Rho-Theta systems of distances and positions. He said that by the first of next year they should have dependable findings on TACAN, and that by that time we will know exactly where we are. We should know by that time what they will require by way of safety legislation. That would be an authorization, however, from the House Committee on Interstate and Foreign Commerce.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. YATES] has expired.

(Mr. YATES asked and was given permission to proceed 1 additional minute.)

Mr. YATES. Mr. Chairman, I would like to say to the gentleman from Washington [Mr. HORAN] that the colonel's information differs from that which was furnished to me by the various officials of the Civil Aeronautics Authority. They have told me that TACAN will not be operational for another 3 or 4 years and cannot be placed in production for another 3 or 4 years. We do have DME at the present time, and DME will make flying safer. We need it now.

Mr. HORAN. The gentleman is absolutely correct. His testimony, however, was that they may find that TACAN is completely unusable. His statement was:

We may run into something that will preclude its adoption.

Mr. YATES. That is right.

Mr. HORAN. He meant thereby that TACAN may be completely out if their findings so indicate.

Mr. YATES. I thank the gentleman for that statement.

It seems to me that some way has to be found to require the carriers to install DME to make flying safer at the present time. It does not make sense to me that we should appropriate money for DME ground equipment without having the carriers purchase the equipment for their aircraft which will permit it to be used.

Mr. ANFUSO. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ANFUSO. Mr. Chairman, the President's veto of the postal pay-raise bill is most regrettable and unwise. But the matter goes deeper than that. The issue is no longer the postal pay bill. The more important issue now, as I see it, is whether or not Congress is going to abdicate its right to legislate.

It took several months of patient, hard work by congressional committees and by both Chambers of Congress to agree and approve the measure which was forwarded to the White House. The Postal Field Service Compensation Act of 1955, S. 1, as the measure is known, was passed in the Senate on March 25 by a vote of 72 to 21. On April 20 it was passed by this House by a vote of 324 to 85, with some amendments. Both Houses met in conference and agreed on a compromise bill, which was subsequently approved by this House on May 9 by a vote of 328 to 66, and in the Senate on May 11 by a vote of 66 to 11. Thus was manifested the will of Congress and the people whom we represent here.

Now comes the President and with one stroke of his pen undoes the work of Congress throughout all these months. Furthermore, this is not the first time he has set Congress back on this issue. He did the same thing last August when he vetoed a 5-percent pay raise, and as a result of that veto postal workers and Federal employees are still without a raise. It may well be that the President's action has again killed their chances for a raise for another year.

If we, as Members of Congress, are willing to abdicate to this kind of "cooperation" from the executive branch, which evidently has a callous disregard for the welfare of the postal workers, then we must be prepared to surrender our right and duty to legislate. Under these circumstances, we can no longer act as free men and free women in this august body. We will be reduced to a status of being mere puppets of the White House. This is not a democratic

process. This is not the way of a democracy; it is the way of a dictatorship, where those sitting in Parliament are told how and what to legislate.

I, for one, am not prepared to surrender my right to legislate. That was not the purpose for which I was elected by the people of my district; hence, I will not be dictated to. I voted for the compromise pay raise bill in all good conscience, and I am sticking by that vote. I ask all of you legislators, who voted for the compromise bill, to follow the dictates of your own conscience and to do likewise.

If we have faith in ourselves and respect for our own judgment, then we cannot and must not fall back now. Otherwise, how can we face the people next election day? We must keep up the fight to preserve our right to legislate, even if we lose the battle today. Should we fail to obtain the necessary two-thirds vote to override the President's veto, then we should go back and pass the same compromise measure—or change it, if we will. The point I am trying to make is that Congress must vote out its own bill, over and over again if necessary, until the will of the majority is recognized by the President. The will of the people is much more important than the desires of a single individual, even if he is the Postmaster General of the United States.

Mr. Chairman, the difference in the bill recommended by the President for a 7.6-percent increase and the 8.6-percent increase in the measure approved by both Houses of Congress is said to be "an amount equal to the cost of a bottle of milk" per week for each postal worker. The total amount for all 500,000 employees in the postal service for the entire year is approximately \$13 million, and yet the President in his veto message claims that "the enactment of such legislation will substantially increase the postal deficit."

By way of comparison, let me point out the following very interesting facts: If a 7.6-percent pay increase had been offered and adopted last year, when the 5-percent bill was vetoed, each postal employee would be about \$300 richer today. Thus, figuring on the basis of the bill now favored by the administration, each postal worker has already sustained a loss of \$300. If you multiply this sum by the number of postal workers, that is, 500,000, it comes to a total of \$150 million. This total is \$137 million more than the difference between the 7.6 and 8.6 bill approved by Congress. So, actually, the President's claim that the bill will substantially increase the postal deficit or that it is excessive, is not borne out by the facts.

I say to you in all earnestness that we have a moral obligation to the 500,000 hard-working, loyal, and devoted Americans who serve us 24 hours a day in all kinds of weather, under all sorts of difficulties and circumstances.

In conclusion, let me emphasize that not only is there a danger that we might surrender our right to legislate, but the situation appears to be even worse. Should the Senate sustain the President's veto, then we in the House will not even have the chance to vote on

the President's unjustifiable action. We, as the representatives of the people, will not have had the opportunity to express the will of the people or to voice our opinion. This is a most humiliating situation in which the President has placed Congress.

I plead with Members on both sides of the aisle to stick by your convictions. If you do, this would be one battle that General Eisenhower or General Summerfield could not win. This is a battle the Congress must win if it is to preserve its constitutional right to legislate.

Mr. HALE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise under some sense of obligation to the Committee of the Whole on this question of VOR/DME and TACAN. It is a highly technical and complicated subject. The reason I rise is that insofar as I can tell, looking over the Chamber, I am the only member present of the subcommittee of the Committee on Interstate and Foreign Commerce which held very lengthy hearings on that subject. Our committee went to Atlantic City and visited the naval air station there and inspected the facilities. We also listened to testimony of experts, both civilian and military, for several days here in Washington. The statements made by the gentleman from Illinois [Mr. YATES] are in substance accurate with the qualification that the testimony, as I recall it, is that it will be at least 2 years before TACAN could be ready. There are possible bugs in it, to use a colloquial expression, but it is a very promising system. Our Committee on Interstate and Foreign Commerce has issued a factual report and made specific recommendations. If I had realized that this was coming up in debate at this time I would have armed myself with the committee recommendations and read them to the Members. The committee's factual report is a very good job done by the committee's professional staff. Substituting TACAN for the VOR-DME or visual omnirange system could not be done at the present time. I think that is about the gist of the situation.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield.

Mr. HORAN. It does pose a very difficult question so far as the changeover is concerned. We find TACAN better than VOR-DME, but then we will have a big job of changing over because they will not both work in the same air channel.

Mr. HALE. May I say to the gentleman it is a terribly difficult question, but everybody agrees there should be a common system and a common system means common to civilian and military flying and civilian flying includes not merely the commercial airlines but the private and corporate flights. As far as I am concerned, I am satisfied that the TACAN system is more accurate, is more promising, and its military uses are more advantageous. It is more readily sited. You can put it on a carrier. That is about all I want to say on the subject, but I should like to refer the Members to the report of the Committee on Interstate and Foreign Commerce which goes

into the whole matter very thoroughly, and to the committee's recommendations.

The CHAIRMAN. The time of the gentleman from Maine [Mr. HALE] has expired.

The Clerk read as follows:

COAST AND GEODETIC SURVEY

Salaries and expenses: For expenses necessary to carry out the provisions of the act of August 6, 1947 (33 U. S. C. 883a-883i), including purchase of not to exceed 3 passenger motor vehicles for replacement only; uniforms or allowances therefor, as authorized by the act of September 1, 1954 (68 Stat. 1114); lease of sites and the erection of temporary buildings for tide, magnetic or seismological observations; hire of aircraft; operation, maintenance, and repair of an airplane; extra compensation at not to exceed \$15 per month to each member of the crew of a vessel when assigned duties as recorder or instrument observer, and at not to exceed \$1 per day for each station to employees of other Federal agencies while making oceanographic observations or tending seismographs; pay, allowances, gratuities, transportation of dependents and household effects, and payment of funeral expenses, as authorized by law, for not to exceed 185 commissioned officers on the active list; payments under the Uniform Services Contingency Option Act of 1953; and pay of commissioned officers retired in accordance with law; \$10,200,000: *Provided*, That during the current fiscal year this appropriation shall be reimbursed for press costs and costs of paper for charts published by the Coast and Geodetic Survey and furnished for the official use of the military departments of the Department of Defense.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word. I want to ask a question or two of the chairman of the subcommittee.

Did the subcommittee make any inquiries of the CAA of any intention to sell the communication centers that exist, that are owned by the Government and under the jurisdiction of that agency, located at the various airports, and which are there for the purpose of safety and efficiency and other important reasons, located at the various airports and other places?

Mr. PRESTON. We made no inquiry about it and there was no evidence of any such plan on foot. I understand there was some appearance in the press indicating that such a plan was on foot, but that was after the hearings.

Mr. McCORMACK. And then, after they were sold, buy back the services. The gentleman has heard about that.

Mr. PRESTON. I have heard about that, but I am sure the gentleman can rely on our committee not approving of any such action as that.

Mr. McCORMACK. May I suggest to the gentleman that he have some of his staff look into this matter, because I think you will find there is something to it.

Mr. PRESTON. We will be happy to do so.

The Clerk read as follows:

Repair of reserve fleet vessels (liquidation of contract authorization): For the payment of obligations incurred pursuant to authority granted under the "Emergency Ship Repair Act of 1954," \$6,000,000: *Provided*, That advances may be made from this appropriation to "Salaries and expenses, maritime activities," for administrative expenses (not to exceed \$150,000), and for reserve fleet expenses

(in such amounts as may be required), and such advances shall be in addition to amounts otherwise made available for such expenses.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word. My purpose is to compliment the subcommittee on putting back into the bill \$660,000, which will enable the four State maritime schools to continue in existence during the next fiscal year.

We in Congress are well acquainted with the valuable contributions made by those schools to our merchant marine and also to our national defense.

I particularly compliment the subcommittee because that estimate was eliminated from the budget, and the subcommittee put the sum of \$660,000 back into the bill. I was very much concerned when I read the hearings to note that Secretary Weeks, who comes from Massachusetts, in reply to a question asked by the gentleman from Georgia [Mr. PRESTON], supported the budget recommendation of eliminating the appropriation, as a result of which these four State academies would have to be discontinued and not be able to render the excellent services they have been rendering for so many years.

Secretary Weeks, who comes from Massachusetts, testified that one or two of them were not very good:

Massachusetts, where I come from, is not one of the best. The Massachusetts school does not come up to the best.

The views of Secretary Weeks do not, in my opinion, reflect the sentiments of any person in Massachusetts; certainly they do not reflect the view of the subcommittee, because the subcommittee did not think much of his testimony in this respect; they put the \$660,000 back into the bill.

I like Secretary Weeks, personally, but as Secretary of Commerce he probably is not familiar with the Massachusetts school, and he probably does not even know where it is located. In any event, the Secretary by his testimony has made himself the laughingstock of Massachusetts.

The Clerk read as follows:

Inter-American highway: For necessary expenses of continuing the survey and construction of the Inter-American Highway, in accordance with the provisions of the act of December 26, 1941 (55 Stat. 860), as amended by section 6 of the Federal-Aid Highway Act of 1952 (66 Stat. 158), \$8 million, to remain available until expended.

Mr. MACK of Washington. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the committee for information.

Some years ago the United States undertook the building of the Central American Highway. The United States was to pay two-thirds of the cost and the countries through which it passed one-third the cost.

We have expended \$50 million on the Central American Highway to date. It is now proposed that we spend an additional \$75 million to complete that highway within a period of 3 years. We have never heretofore spent more than \$6 million in any one year on the Inter-American highway. It is now proposed

that we step up spending on this highway during the next 3 years to \$25 million a year.

We were informed in the Public Works Committee when we were asked to authorize \$75 million of spending on this road during the next 3 years that this subcommittee of the Appropriations Committee was desirous of having the Public Works Committee authorize a \$75 million expenditure to be made on this road in the next 3 years instead of \$15 million or \$20 million. I want to find out if the subcommittee or the full Appropriations Committee wished this authorization to be made and asked it be made?

Mr. PRESTON. It was the position of the subcommittee that we prefer the 6-year program and we turned down the request for \$75 million.

Mr. MACK of Washington. In other words, the committee prefers that this road program be carried out over a 6-year period rather than in a 3-year period?

Mr. PRESTON. That is the position of the committee.

Mr. MACK of Washington. Is it the opinion of the committee that we could not expand this program from \$6 million a year to \$25 million a year and do the job efficiently and effectively?

Mr. PRESTON. The testimony presented by the Bureau of Public Roads was to the effect that to do it on a 3-year basis, a crash program, would entail a premium of \$12 million on the basis of \$25 million a year, that it would cost about \$4 million more for each year.

Mr. BOW. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. BOW. I would like to say to the gentleman as a member of the committee that the reason we did not appropriate the full amount, as far as I am concerned, was because there was no authorization for making an appropriation of that size.

Mr. MACK of Washington. Does the gentleman from Ohio believe it would be more efficient and effective to do this work in 3 years rather than 6?

Mr. BOW. I would say to the gentleman that I believe the construction of the Inter-American Highway is a very worthwhile project and should be completed at the earliest possible date. But the thing that disturbs me in the suggestion of the \$75 million appropriation is that we understand it will cost about \$11 million more to complete it in 3 years than it would to take the whole 6 years. Whether or not an investment of the additional \$11 million would pay off in goodwill on the completion of the road I do not know and I am not ready to state at this time, but we were faced with that situation. Even though we had an authorization, the testimony before our committee was that it would cost us about \$11 million more to do a crash job to complete it than if we took the full 6 years.

Mr. MACK of Washington. It is my understanding at the present time that under existing law our Government may spend one-third of the money entirely and completely without any contribu-

tion by the six Central American Republics. On the other two-thirds of the cost they put up one-third and we two-thirds of the cost.

Mr. BOW. That is correct.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Washington.

Mr. HORAN. I want to say that the subcommittee is not against the completion of this highway. The discussion resolves itself around the length of time for its completion. We were confronted with the fact that there was no basic authorization to speed up and accelerate the program.

Mr. MACK of Washington. I am in favor of completing this road. I wonder, however, if it is wise to crash this job through in 3 years. I voted against the authorization for the \$75 million for a 3 year job. I was the only member of the committee to so vote.

Mr. HORAN. The Committee on Appropriations is still looking into the matter and trying to make up its own mind as to which is the wisest course to pursue.

Mr. MACK of Washington. The House will have to decide within a few days whether or not it is going to favor a bill creating a \$75 million authorization for the 3-year period, since such a bill has been favorably reported out of the Public Works Committee.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from New York.

Mr. ROONEY. I wish to assure the gentleman from Washington that insofar as I am concerned, just because of the fact that somebody goes traveling outside the confines of the United States and makes certain promises with great attendant publicity, I am not going to fulfill such not fully considered promises at a premium and unnecessary added cost of 11 or 12 million dollars of the American taxpayers' money.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Massachusetts.

Mr. MARTIN. This highway so-called has been a long cherished ambition of the United States ever since the days of Blaine. There are many people who believe that right now it would result in a tremendous improvement in good feeling between the 2 continents if this highway were completed as expeditiously as possible. I think the committee should give full consideration to that because it might well be money well spent.

Mr. MACK of Washington. I thank the gentlemen for their information.

Mr. BOW. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, may I suggest that the gentleman from New York, who has made some reference to people traveling around through Central America and making promises for the completion of the inter-American highway, that the gentleman from New York has for some years been voting for the completion of a road in Central America that somebody did not even go down there to look at, but wrote a letter. Somebody promised

in that letter to build a road. In this case at least we have someone who went out to look and see and to observe the advantages of the highway. In the other case the gentleman has been voting for, it was simply on a letter written to the head of a State saying, "We will build a road for you."

Mr. ROONEY. Is the gentleman referring to the road which was the brain child of the late President Franklin D. Roosevelt and for which the gentleman from Ohio voted to appropriate funds along about the 14th of April just past?

Mr. BOW. That is correct.

Mr. ROONEY. Known as the Rama Road?

Mr. BOW. That is correct. I voted for it because I believe in it as I do the Inter-American Highway. I believe that the spending of money in this hemisphere will do us much more good than many of the millions and billions of dollars that we have spent around the world and in other places. If we were met with the situation of a shooting war and we became involved in a submarine war on both coasts of Central America, the completion of that highway might well be worth \$11 million or \$11 billion to the defense of the hemisphere. I believe, too, in the development of friends to the south, that that is a necessary thing, and that it should be done as promptly as possible.

Mr. ROONEY. Mr. Chairman, I should like to observe that it is amazing how viewpoints can change. I have sat on this Appropriations Committee all these years and have advocated the building of and appropriations for the inter-American highway when most of those on the other side of the aisle refused to appropriate a dollar for it. They were always the great objectors to it. I remember the distinguished Member of the other body, a gentleman from the State of Michigan, who sat in our conference each year, the conference on the State, Justice, and Commerce appropriation bill. It really is amazing how liberal you can now get with the taxpayers' money.

Mr. MARTIN. Mr. Chairman, if the gentleman will yield, how it is that the gentleman has now changed his viewpoint? Can the gentleman explain that?

Mr. ROONEY. May I say to the distinguished gentleman that I most certainly have not changed my viewpoint. He evidently does not get the point I am making.

Mr. MARTIN. Then we are in agreement on this project.

Mr. ROONEY. I want it finished as fast as possible when it is properly authorized by the legislative committee but not at a premium to the taxpayers of \$12 million out of \$75 million requested to be appropriated. I think we know as much about this as our celebrated traveler.

The Clerk read as follows:

Salaries and expenses: For expenses necessary for the Weather Bureau, including maintenance and operation of aircraft; purchase of five passenger motor vehicles for replacement only; not to exceed \$25,000 for services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a); and not to exceed \$10,000 for maintenance of a printing office in the city of Washington, as authorized by law; \$27,650,000: *Provided,*

That during the current fiscal year, the maximum amount authorized under section 3 (a) of the act of June 2, 1948 (15 U. S. C. 327), for extra compensation to employees of other Government agencies for taking and transmitting meteorological observations, shall be \$5 per day; and the maximum base rate of pay authorized under section 3 (b) of said act, for employees conducting meteorological investigations in the Arctic region, shall be \$6,000 per annum, except that not more than five of such employees at any one time may receive a base rate of \$8,500 per annum, and such employees may be appointed without regard to the Classification Act of 1949.

Mr. FOGARTY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOGARTY: On page 22, line 11, strike out "\$27,650,000" and insert "\$29,900,000."

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield to the gentleman from Georgia.

Mr. PRESTON. Mr. Chairman, I am instructed by the subcommittee to accept the amendment offered by the gentleman from Rhode Island.

Mr. FOGARTY. I thank the gentleman.

Mr. Chairman, I ask unanimous consent to extend and revise my remarks, and I also ask unanimous consent that all Members may be allowed to extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Chairman, I had intended to propose an amendment to this bill which would increase the funds allotted to the Weather Bureau by \$3,850,000. However, after full consultation with the committee, and with that body's agreement to unanimously accept a revised figure, I am submitting an amendment which will add \$2,250,000 to the bill.

Mr. Chairman, the amendment which I am introducing will increase by \$2,250,000 the total appropriations allotted to the Weather Bureau. This critically needed sum would be especially earmarked for the immediate establishment of an improved emergency hurricane and severe storm warning system within the Weather Bureau.

Many of you may be surprised to learn that the eight hurricanes of 1954 together caused about \$1 billion of property damage—yes, \$1,000 million of property damage—and in addition, the loss of about 850 lives.

In fact, a single storm, hurricane Carol, on August 31, 1954, caused property damage amounting to about \$500 million. With each hurricane my own State of Rhode Island suffers new and staggering losses which affect the lives of thousands of its citizens and the entire economy of the State. The same is true of the entire New England region. The New England and New York Inter-agency Committee has estimated total damage in the seven State region as running into the hundreds of millions of dollars for the three major 1954 storms. The damage in Rhode Island alone has

been estimated at close to \$200 million. As an indication of the very severe property damage experienced, I would like to point out that hurricane losses in 1954 for just the State of Rhode Island amounted to 7.4 percent of the State's total personal income. In addition to property damage, consideration must also be given to the hundreds of fatalities from the storm in 1938 as well as the loss of 19 lives in the 1954 hurricane. It was only for the fact that the storm last year happened to hit at mid-day that even more casualties did not result.

We in Rhode Island and New England now know—beyond the shadow of a doubt—that we are in the hurricane zone. The pattern over the past few years has definitely established that fact. We also know that we must have earlier danger warnings in order to reduce the horrible loss of life and property in future hurricanes. The Rhode Island Development Council in October of 1954, published an interim report of its hurricane rehabilitation study in which it said:

The time of day a hurricane strikes is unpredictable, but the amount of warning Rhode Islanders get of a hurricane's approach is something which can be controlled.

I should like to add emphasis to that statement by having it read: "Warning of a hurricane's approach is something which should be controlled."

Today, after more than 70 years of systematic weather observations, the general effects of hurricanes on wind velocity and tide are known. Hurricanes can be traced from their point of origin and warnings given to those endangered. But to do this the Weather Bureau must have sufficient manpower and suitable facilities.

The Weather Bureau now definitely does not have the staff or facilities to provide modern or reasonably adequate hurricane warning service along the entire coastline from Maine to Texas—not to mention the sparse facilities now available to warn the public promptly about other severe storms like blizzards, cold waves, and tornadoes.

The committee bill as presented is fine as far as it goes—but it hardly begins to meet the problem. For example, the bill does not provide for even a single additional storm forecaster, nor for even a single additional research meteorologist, nor for even a single additional weather chartman or weather communicator. Besides there is not one new station to be established along the coast in this bill. Finally, there is not a single part-time station that will be made into a full-time station under the present allotment.

Additional observational equipment to replace obsolete types of existing equipment over the United States obviously is long overdue. What the people who have suffered from hurricanes want most of all, however, is the additional protection that comes from improved forecasts and quicker warnings. All weathermen agree that these requested improvements in 1955 and 1956 can come only if staff and facilities are provided to deal with the many deficiencies which are known to exist.

I believe you will all agree that these improved night and day warning services cannot be realized without increase in their present professional staff. During the past 8 years, the Weather Bureau has had to operate with a smaller number of employees each succeeding year until they now have about 1,000 fewer weathermen than they had in 1949. Nevertheless, aviation and general weather services requirements have increased to the highest levels ever recorded. My amendment will provide for the addition of about 300 more professional meteorologists.

As pointed out in the New York Times editorial of May 9, 1955:

The public has a right to expect an immediate and substantial increase in the Weather Bureau's facilities and personnel.

There are millions of people along the coast who also would agree with the New York Times editorial that it is "shocking and nothing of the sort is included in the estimate for the next fiscal year." Accordingly I urge all to support my amendment which would call for an increase of \$3,850,000 in the Weather Bureau's appropriations for the coming fiscal year. This, it seems to me, is a small price—in fact, less than 1 percent of the total property damage that occurs every year from storms in the United States—and I think it is a small insurance price, indeed, for the added protection to property, not only along the coast of the Atlantic and the Gulf of Mexico but, in fact, for the entire United States.

The following is an analysis of the increased activity which passage of the amendment which I originally intended to introduce would have permitted the Weather Bureau. I am advised that the reduced figure which I have submitted will be sufficient for the Bureau to provide for most of these improvements to be put into effect. I am convinced that passage of this amendment will result in a much improved hurricane warning system and better storm forecasting throughout the country.

First. To provide staff sufficient to keep Weather Bureau offices open 24 hours a day in 10 coastal cities from Maine to Texas where existing Weather Bureau offices are now open only part time, and at other points in the United States. Stations involved follow: Apalachicola, Fla.; Athens, Ga.; Avoca, Pa.; Bishop, Calif.; Block Island, R. I.; Bridgeport, Conn.; Bristol, Tenn.; Columbus, Ga.; Concord, N. H.; Del Rio, Tex.; Dubuque, Iowa; Eugene, Oreg.; Flagstaff, Ariz.; Florence, S. C.; Grand Island, Nebr.; Grand Junction, Colo.; Green Bay, Wis.; Havre, Mont.; Key West, Fla.; La Crosse, Wis.; Lewiston, Idaho; Lynchburg, Va.; Marquette, Mich.; Meridian, Miss.; Milford, Mass.; Muskegon, Mich.; New Haven, Conn.; Norfolk, Va.; Peoria, Ill.; Prescott, Ariz.; Roseburg, Oreg.; Roswell, N. Mex.; St. Joseph, Mo.; Sheridan, Wyo.; Spartanburg, S. C.; Texarkana, Ark.; Valentine, Nebr.; Victoria, Tex.; Williamsport, Pa.; and Williston, N. Dak.

Second. To provide technically trained staff sufficient to reopen Weather Bureau offices in 5 coastal cities from Maine to Texas where formerly existing Weather Bureau offices have been closed, and at

additional points in the United States. Stations to be reopened are: Albany, Ga.; Butte, Mont.; Eastport, Maine; Ellensburg, Wash.; Elkins, W. Va.; Erie, Pa.; Melbourne, Fla.; Raton, N. Mex.; Rock Springs, Wyo.; Santa Catalina, Calif.; Terre Haute, Ind.; and Valdosta, Ga.

In addition to the stations to be reopened, new Weather Bureau offices are required at the following strategic locations: Alexandria, La.; Donner Summit, Calif.; Flint, Mich.; Johnstown, Pa.; Lancaster, Pa.; New Bedford, Mass.; Pierre, S. Dak.; Ocean City, Md.; Rockford, Ill.; Saginaw, Mich.; Waterloo, Iowa; Wheeling, W. Va.; and Worcester, Mass.

Third. To operate special teletype-writer, facsimile, telephone, and radio networks for the prompt relay of meteorological information used in forecasting hurricanes and major storms, and used for instantaneous distribution of hurricane warnings and alerts to all areas and citizens concerned.

Fourth. To provide staff and observing equipment to obtain additional rawinsonde observations at 6-hourly intervals instead of 12-hourly intervals during periods of hurricane or other severe storm threat.

Fifth. To provide additional weather observations during storm periods from merchant ships traversing the western Atlantic Ocean, Caribbean Sea and Gulf of Mexico.

Sixth. To provide additional forecasters, additional meteorological chartmen, and additional communicators to provide around-the-clock hurricane forecasting watches at each of the following six hurricane forecast centers: Boston, New York, Washington, Miami, New Orleans, and San Juan.

Seventh. To establish an improved high water warning service in order to inform coastal areas of approaching high storm tides, damaging waves, and other coastal inundations from abnormal water levels and floods associated with hurricanes and heavy coastal rainstorms.

Eighth. To provide meteorological staff and facilities for emergency hurricane warning centers and for mobile storm warning squads to supplement the local Weather Bureau staffs during the intense activity accompanying the approach and passage of hurricanes and major storms; and afterwards to survey and review (a) the quantity and quality of hurricane reports, alerts, and forecasts, (b) the times, places, and amounts of hurricane information distributed by all news media, (c) the protective action taken by all concerned, (d) and the types and amounts of hurricane damage incurred.

Ninth. To obtain weather reports of upper-air conditions in the path of approaching hurricanes similar to the information obtained at the ocean vessel ship station formerly located half way between New York and Bermuda. This will be accomplished as a result of a cooperative project with the Coast Guard and will be more economical than a fixed station.

Tenth. To carry out a cooperative private and governmental public information program involving important as-

pects of hurricane alerts, hurricane warnings, the changing characteristics of moving hurricanes, and the precautions that should be taken by citizens in the forecast path of future hurricanes to save lives and property.

Mr. Chairman, I should like to include in my remarks a press release of a speech delivered by the senior Senator from my State of Rhode Island, the Honorable THEODORE FRANCIS GREEN; two news stories from the New York Times for September 27, 28, and 29, 1954, dealing with the Weather Bureau; a release from the Weather Bureau entitled "Statement of Future Requirements of the Weather Bureau"; a paper written by Norman R. Hagen, of the United States Weather Bureau, regarding losses from the 1954 hurricanes; an editorial from the New York Times for May 9, 1955, on hurricane warning; and an analysis of the appropriations history of the Weather Bureau from 1951 to 1956:

A LEGISLATOR VIEWS THE STORM TIDE PROBLEM

(Address of United States Senator THEODORE FRANCIS GREEN on the occasion of the symposium on meteorologically induced changes in water level. Thirty-sixth annual meeting of the American Geophysical Union, in Washington, D. C., on May 4, 1955)

Mr. Chairman, it is a privilege for me to have the opportunity to address this illustrious group of scientists and to present my views as a legislator as to the storm-tide problem. This is particularly so since it concerns the citizens of my home State of Rhode Island who have been visited by four disastrous hurricanes in the past few years.

After the 1938 hurricane which caused many deaths and millions of dollars of damage, not only in Rhode Island, but along the entire Atlantic coast, I received many letters about it from my constituents and others. Practically all of these were adversely critical of the Weather Bureau's activities during that emergency. Some of these communications were from persons deeply concerned over what they believed was the inactivity of the Weather Bureau in giving sufficient warning of the approaching storm. So, acting in their behalf I had considerable correspondence with that agency and became deeply interested in the administration of that Bureau, and have watched carefully the appropriations of funds for its operation.

In August and September of 1954 the hurricanes Carol and Edna visited us with even more disastrous results, and a little later a visit from Hazel also was expected. At these times I again received a flood of similar critical letters and the press of my State published critical editorials regarding the Weather Bureau. As a matter of fact news stories in papers in some of the larger cities of other States were also critical of it. As a Member of the United States Senate I recognized the significance of these letters from constituents and the editorial opinions of the press. As a resident of Rhode Island and one who on personal inspection tours viewed the damage done by the hurricanes in practically every city and town in my State, I concluded that some explanations were in order from the Federal agencies involved.

Therefore, I communicated with officials of the Weather Bureau and obtained reports on these matters, some of which were satisfactory, and others of which were disappointing. I also obtained reports from other Government agencies, such as the Coast and Geodetic Survey, the Navy and the Coast Guard. As a result I became firmly convinced that there was no proper coordination of the various agencies involved in weather reporting activities.

However, I learned that the Navy, contemplating the visit of Hurricane Carol, took appropriate steps at the great naval establishments in my State to protect lives and Government property. Further than that, when the hurricane struck the naval establishments there, the officers and men did an excellent job not only during but also after the storm. The Navy, especially the Seabees stationed at Davisville, provided essential assistance to civilians in neighboring towns by lending heavy equipment, such as generators, to those who were left without electrical power. In fact, the Navy worked closely with the State civil defense administration during the whole disaster period, and as a result of this cooperation, many cities and towns recovered more quickly from this disaster. We are thankful that the loss of life suffered was not so great as that which occurred in the 1938 hurricane.

As a result of my correspondence with the Weather Bureau, I learned that the average citizen does not understand the Weather Bureau advisories and bulletins in the sense the Bureau intends they should be understood. To add to this handicap, during the hours just prior to the visit of Hurricane Carol, most of the advisories and bulletins were issued from the Weather Bureau at Boston and not from the station in Rhode Island. I am convinced that there were not sufficient employees manning the Rhode Island station during that emergency. This conviction is borne out by the fact that during the visit of the next hurricane, Edna, a full staff of employees was on duty at the Rhode Island Weather Station and a continual stream of advisories and bulletins came over every radio station in the State. This was in definite contrast to the meager information given out during the visit of Hurricane Carol. It seems to me that during emergencies of this kind, some authority should be given to the person in charge of a weather station, such as that in Rhode Island, to allow additional personnel to be called to duty, and additional personnel to be hired for the duration of the emergency. This would insure adequate reporting to the press, radio, civil defense, and other State agencies which are deeply concerned and spread the news to the public.

I believe the public should be constantly advised when a storm of this kind is forecast but realize that even if all the people were well aware of the advent of such a storm, there would be some criticism, especially if the storm veered off in a different direction and did not strike as forecast. However, in the long run it would prove best for all concerned, for if, on the other hand, the storm did strike as predicted, the preparations made and precautions taken to decrease damage would be well worthwhile.

I hesitate to be critical of the Weather Bureau because there are excellent men working with that agency—some of the best in the country. However, they cannot work without adequate funds and proper tools and I believe they should have increased appropriations so that they can maintain the best in equipment. It is also important that the best men possible be procured and assigned to extensive research of violent storms.

Beyond that, I believe that adequate warning systems and advisories, expressed in plain language which the average citizen can understand, should be developed by the Weather Bureau. An understandable warning system would allay the fears of many persons who at the present time are very weather conscious. For example, since the visits of Carol and Edna to New England, and in particular Rhode Island, the weather in all its aspects has become front-page news—especially so to those who lost their homes and all their belongings as the result of the disastrous storms. Recently the Providence Journal, which has been at the forefront in

the reporting of weather news since the visit of Carol, conducted a "Forecasting Sweepstakes." The results were based on a rating system established by the Providence Journal to compare the forecastings of the United States Weather Bureau and those of the Northeastern Weather Service, a privately owned operation. Daily reports and 5-day outlooks from the United States Weather Bureau and the Northeastern Weather Service were printed on the front page of the Journal, starting March 20 and ending April 24, practically in a tie. The "Sweepstakes" was unique and was followed with interest by the citizens of my State.

Many estimates have been made of the amount of damage in dollars and cents caused by these 1954 hurricanes. I do not have any exact figures but I do know that it amounted to many millions of dollars. According to the press over \$276 million in claims have been paid by insurance companies as a result of the visits of hurricanes Carol, Edna, and Hazel in 1954. Of course, there have been additional millions expended by individuals who lost their property but were not insured. Of course, there will always be extensive damage done by storms such as these, regardless of how accurate the forecasting may be. However, I also recognize the fact that an improved warning system and proper coordination of Federal, State, and local agencies during such a period, would greatly decrease property damage and loss of life.

I know that meteorologists and forecasters of the Weather Bureau cannot materially improve their forecasts and give sufficient warning of the approach of hurricanes, unless and until they improve their knowledge of storm structure and movement. To improve this knowledge it will be necessary to institute a comprehensive research program which will cover not only hurricanes, but all sorts of storms such as tornadoes, hailstorms, and the like.

It is my understanding that the Weather Bureau has recently been able to improve its hurricane warning system and to arrange for better collection and distribution of information. I understand that the Bureau is proceeding with the installation of radar at certain points—that aerial reconnaissance for locating hurricanes has been worked out with the armed services—that a special telephone service has been arranged with certain priorities being given to the Weather Bureau during such emergencies—and that better press relations have been established so that the press will be kept informed of approaching storms, with a view to passing understandable information along to the public. All these steps which have recently been taken by the Bureau are in the right direction. However, I am firmly convinced that the Weather Bureau does not have sufficient funds to improve its research and to maintain the service which is expected of it. I am one of those in the Congress who believes that the Weather Bureau is one of the few Government agencies which does not waste any of the taxpayers' money and that appropriations are used with discretion.

As a legislator I have reviewed the requirements for hurricane research as recommended by the Interagency Hurricane Research Conference which was held last December here in Washington. The report of this conference is, in my opinion, far-reaching and practical, and funds to put the recommendations into operation should be appropriated immediately. I concur with the recommendations of the conference, particularly with regard to the establishment of a Federal advisory committee on hurricane research. A group such as this would be comprised of representatives of all Government agencies interested in weather reporting activities. It would be of inestimable value by providing for an expanded research

program and better coordination of all agencies concerned with weather forecasting.

Therefore, as a Member of the Senate and one who is deeply interested in the activities of the Weather Bureau, I intend to do my best to have Congress appropriate adequate funds for that agency's research program. I know that there are some legislators and Government officials who are economy-minded and hesitate to increase any appropriation. In this case I call it false economy and shortsightedness. The total funds allotted to the Bureau are very small in comparison with the funds appropriated for some of the other agencies and I fully intend to solicit the support of the members of the New England United States Senators Conference relative to working as a unit for increased appropriations for the Weather Bureau.

The country needs men such as the members of your organization, with your training and scientific knowledge of the elements, to guide the Congress and to advise the public in matters of this kind. I know that Congress appreciates highly the cooperation and assistance of your organization and your continued interest in all Federal legislation affecting the agencies interested in weather forecasting and reporting. I trust that it will take advantage of your helpful advices.

[From the New York Times of September 27, 1954]

FAILINGS OF WEATHER BUREAU LAID TO PARSIMONY

(By Robert Alden)

The United States Weather Bureau, charged with a grave responsibility in terms of life, property and commercial interest, is severely handicapped by a lack of funds to carry out a complex operation. As a case in point, meteorologists say that if the trend toward eliminating weather observation stations continues there is a very real danger that the bureau's forecasts will become less accurate.

In 1947 there were 443 such weather stations. Next year there will be 321. In 1949 the Weather Bureau had 4,517 full-time employees. Next year there will be 3,728.

The plight of the Weather Bureau was brought into focus by Hurricane Carol, which roared into an unprepared New England at the end of August, killing 60 persons and causing damage estimated at \$500 million.

As a result of that storm this newspaper interviewed about 40 persons in the field of weather study and prediction, most of them privately employed and thus holding no special brief for the Weather Bureau.

To a man they agreed that the Bureau had been treated penuriously by Congress and by the Bureau of the Budget, and that, consequently, its product was not up to what it could be.

One description characterized the Weather Bureau as a neglected "horse-and-buggy outfit struggling to get along on just a pittance—a fraction of the money it should have."

The more generously inclined commented that in spite of severe budgetary handicaps the Weather Bureau through constant struggle was "almost" managing to keep abreast of the times in a branch of science that was said to be much more complex than such a notably difficult field as the development of the hydrogen bomb.

All of those surveyed agreed that the Weather Bureau, with only a token amount available for research, was not able to take the lead in attempting to solve the knotty problems in weather prediction.

Such an accelerated research program does not necessarily hold out the key that will enable the Weather Bureau by next year or the year after that to warn us with certainty that a hurricane like Carol will strike a specific area at a specific time with a specific force.

It does mean, however, that unless such research is done now, in 10 and 20 years from now other Carols will still be roaring in from

the sea, violently and unexpectedly. And again there will be the consequent tragedy of lives snuffed out, homes and life-long possessions destroyed and business establishments, built up through a lifetime, wrecked without hope of repair.

Government bureaus have seldom been notable for economy of operation. Apparently the Weather Bureau is exceptional in this respect.

A committee of private citizens, expert in the field, was appointed last year by the Secretary of Commerce to study the Weather Bureau and its functions: That committee's report said:

"A review of the history of the Weather Bureau's budget has impressed the committee with the frugality of this Bureau's operation and its management is to be commended for the manner which they have administered public funds. We know of no other governmental agency that has been so economical in the expenditure of its funds."

COMPARATIVELY LOW EXPENDITURE

The committee went on to point out that while countries such as Iceland spent \$1 per capita a year for a weather service, while the Soviet Union spent 47 cents (last available figure 10 years ago) and England spent 20 cents, the United States, with a gross income far higher than any of these countries, was allotting each year only 18 cents per capita for its Weather Bureau.

Yet, quite literally, billions of dollars are at stake in the United States as a result of the foibles of the weather. It is not only a question of whether a lawn party can be held or a ball game will be played—the sort of thing that many associate with the weatherman.

A merchant fleet unwarned of the approach of a storm can be wiped out overnight. A crop of oranges can be destroyed by a cold snap. Hundreds of persons can be killed in a tornado when a scant 10-minute warning might save them all.

It was for this reason that the Secretary of Commerce's committee, headed by Brig. Gen. Joseph J. George, superintendent of meteorology at Eastern Air Lines, recommended "that the Weather Bureau receive the strongest possible support in budgetary matters at the department level for the next few years when adequate funds will be absolutely essential."

In spite of the fact that this recommendation was made last December, Congress appropriated only \$24,750,000 for the Weather Bureau this year, a figure well under the \$27,250,000 allotted for the Bureau's high year, fiscal 1953.

But these bare figures do not tell the story. As a science, meteorology has exacting demands. Talented and trained personnel are required to tackle the tough job of weather analysis and prediction. Such personnel are not being attracted by the meager salaries that the Bureau is forced to pay. Similarly, research, the life-blood of science, is getting scant support from the Bureau.

Another result of the continual cutting of the Bureau's budget is that the amount of data upon which the forecaster must depend to make his predictions is becoming less each year as additional weather stations are closed.

That trend, of course, is very dangerous. The Bureau's equipment is also becoming antiquated and newly developed equipment that should be in the weather stations is not being acquired. A good case in point is the matter of radar sets.

A new radar set is prohibitively priced (as far as the Weather Bureau is concerned) at something over \$200,000. Fortunately, the Navy gave the Weather Bureau a hundred old radar sets. But even the money to convert this equipment—about \$10,000 a set—was not available.

With some financial sacrifice, four of the sets were installed along the Atlantic sea-

board to watch hurricanes and other severe storms. (It is generally agreed that about 14 are needed to track storms adequately along the east coast.)

The other sets were offered to communities willing to pay the price of converting the equipment. Several cities in Texas, plagued by tornadoes, assumed the financial responsibility and a few of the sets were installed there.

However, there are many other cities and weather stations that could profitably use the equipment, which now lies gathering dust in a warehouse.

Another solution to the problem of adequate employment of radar in weather detection lies in the Air Defense Command. This command has an excellent radar net and it is perfectly willing to cooperate in every way with the Weather Bureau.

But reading radar in connection with the weather is difficult. For example, rain squall lines appear on the scope in such a way that they seem to indicate the presence of the eye of a hurricane. Such a false reading can be misleading to a disastrous degree.

To do this difficult job accurately, the Weather Bureau should post a man either at the Air Defense Command's radar machines or at least at the radar report filter center.

But, lacking this personnel, these centers remain uncovered by the Weather Bureau and the radar reports that finally get to the Weather Bureau from the Air Defense Command's radar net are late, incomplete, and possibly misleading.

LEFT IN THE LAP OF CONGRESS

As a result of all these factors, the weather experts in the field agree, the country is not getting the kind and quality of service that should be available to it. Consequently lives may be lost unnecessarily and millions of dollars of preventable damage may be done.

This year, as in the years before, the Department of Commerce will urge on the Bureau of the Budget and the Congress an increased appropriation for the Weather Bureau. Until now the pleas met with no success. The Bureau, it seems, always loses "the Battle on the Hill."

If the weather experts could go to Congress and say: "Give us more money and we guarantee that next year there will be no more Carols striking the coast without warning," the Bureau would undoubtedly get an adequate appropriation.

But in the difficult science of meteorology no such guarantee can be made. Progress comes only slowly and the results cannot be assured in advance.

It is certain, however, the meteorologists agree, that unless an attempt is made to improve the situation, everything will remain as it is at present. The weatherman will continue to be the butt of jokes and the Nation will be a heavy loser as a result of the unexpected quirks in the weather.

[From the New York Times of September 28, 1954]

CAPRICES OF CAROL DEFIED FORECASTS—HURRICANE STILL IN DISPUTE—EXPERTS DISAGREE ON ROLE OF WEATHER BUREAU ECONOMIES

(By Robert Alden)

The capricious and destructive Hurricane Carol, which tore into New England without adequate warning on the morning of August 31, still remains a lady of mystery.

No one, for example, can say with any certainty whether an additional dollar investment in the Weather Bureau through the years would have enabled the bureau to forecast the course of the storm any sooner than it did.

At least two responsible meteorologists (outside the Weather Bureau) argue that if a weather ship, formerly stationed about half way between New York and Bermuda, had been at its post, the New England coast

could have been alerted to the storm 12 hours sooner than it was.

Other equally responsible meteorologists think that the presence of the weather ship, removed last year for reasons of economy, would have made no difference at all. They maintain that it would not have been in the right position to give the data pertinent to the course of the storm.

The fairest appraisal of this situation was given by a high official in the Weather Bureau. He said:

"I don't think the ship would have done any good. But, after all, the ship wasn't out there. We don't know whether the data she might have picked up would have helped because there just weren't any data. It's one of those things you can't possibly figure out."

VALUE OF RESEARCH WEIGHED

Similarly there is the matter of research. The meandering course of a hurricane seems to be governed in large measure by upper air currents. Some meteorologists maintain that if a comprehensive research study of those currents and other factors influencing hurricanes had been instituted years ago, Carol's mad middle-of-the-night dash toward the New England coast could have been plotted in advance to a substantial advance warning given to the area.

TOUCHES OFF POLITICAL DISPUTE

Carol is destined, it seems, to have a political career. Already there has been a sharp exchange on the subject in Washington.

Senator THEODORE GREEN, Democrat, of Rhode Island, has charged that false economy was one reason that no adequate warning was sounded.

Secretary of Commerce Sinclair Weeks replied that there had been no false economies in the Weather Bureau that would weaken the agency's hurricane-warning system.

Meteorologists are inclined to straddle the fence on the issue. Hurricanes are strange and difficult-to-predict meteorological phenomena. The general feeling among the scientists is that while one cannot buy the answer to the hurricane problem in a year or 2, perhaps in 10 or 20 years such a purchase can be made.

They feel that with 1 hurricane like Carol costing 60 lines and \$50 million in property damage, even 20 years of payment might prove a good bargain.

Other weather experts say it is speculative to predict what might have been uncovered by research.

All agree, however, that the institution of a large-scale research program years ago certainly would have done no harm. If no solution to the hurricane problem had been found by now, at least meteorologists would be that much closer to finding a solution.

At the same time persons critical of the Weather Bureau point out that even without benefit of the additional research or the weather ship, at least one private forecaster advised his client in Providence, in advance of the Weather Bureau, that a hurricane was about to strike that city.

To understand that situation it is necessary to trace the history of the storm.

Carol, like most hurricanes, was peculiar. For several days it idled off the Carolina capes, not doing anything in particular. At times it would stand still. Then it would move northward or northeastward at 3 to 4 miles an hour. Sometimes the winds at its center would increase in intensity. Then they would diminish.

During the day of August 30 Carol began to move north northeastward, first at 5 miles an hour, then toward evening at something more than 10 miles an hour. Highest winds at the center were measured at 100 miles an hour.

Without warning, at about midnight, the hurricane started a wild dash toward the

New England coast. Soon the winds at its center were boiling up the sea at 100 miles an hour while the hurricane herself was skimming across the Atlantic at a speed of over 50 miles an hour.

SAFETY CUSHION SUDDENLY LOST

All through the night Carol raced onward. While a few hours earlier it had seemed that those 500 miles of water that lay between the Carolina capes and New England would provide an ample safety cushion for sounding a warning, it was now apparent that the storm if it hit land at all would strike the New England coast by morning.

But New England was still sleeping. And it is impossible for the weather bureau to pour a warning into a sleeping ear.

There were other complicating factors. The Weather Bureau was not receiving very much data about the storm in the middle of that critical night. Frequently information from the sea areas is scant.

From the material it did receive, it appeared at one point as if Carol were veering out to sea and might miss the coastline completely.

By 5 a. m., however, the Weather Bureau in Washington, utilizing radar information it had received from Norfolk, Va., issued a bulletin that all precautions should be taken for high tides and "on-shore gales" from central Long Island to Nantucket. Gales are a notch below hurricanes in intensity.

In view of the complexity of the situation that night, most meteorologists agree that this 5 a. m. advisory was a "pretty fair" prediction.

The private forecaster who warned his client in Providence telephoned that client at 6:49 a. m. that a hurricane would strike the area at about noon.

In explaining this divergence of opinion meteorologists will say that plotting the course of a hurricane is much like handicapping an immensely complicated horse race. One studies all the available data and then comes up with his choice. Sometimes he is right and sometimes he is wrong.

BUREAU BACKED WRONG HORSE

In the case of Carol, when the Weather Bureau's forecaster had picked the word "gale" he had backed the wrong horse, although he had done a good job, in the opinion of meteorologists, in handicapping the race.

As for the private forecaster, working from data supplied by the Weather Bureau, he had picked a better horse and had come in first. At the same time it is apparent that any other private forecaster who hadn't picked a better horse would not be advertising the fact.

On another occasion it will be the Weather Bureau's choice that will nose out that of the private forecaster's. Horse races and hurricanes are like that.

The Navy, in New England, was also able to batten down its hatches and make ready for the storm in plenty of time to avoid serious damage. People have wondered publicly why the Navy was forewarned while civilians weren't.

Here, an entirely different factor is involved. It is best illustrated in the words of a Navy weather forecaster in a discussion of a hurricane other than Carol.

"As a meteorologist," he said, "I was fairly certain that that storm wasn't going to strike our docks or our air bases.

"As a Navy officer, however, I recommended that all hurricane precautions be taken in the harbors and that all flyable aircraft be evacuated. We just can't take a calculated risk on a thing of that kind. It just isn't worth it to us."

On the other hand, if the Weather Bureau were to alert the public too often to storms that didn't strike, it would be severely criticized, particularly because of the big commercial loss that might be involved.

After a time, as in the case of the fable about the boy who cried "woof!" no one would pay much attention to the Weather Bureau.

[From the New York Times of September 29, 1954]

PUBLIC AID URGED BY WEATHERMEN—FALLED BY STALE JOKES, THEY ASK BETTER UNDERSTANDING OF THEIR COMPLEX WORK

(By Robert Aiden)

The weatherman is tired of being the butt of a parade of stale jokes.

He wishes the public had a better understanding of his job and the economic problems connected with it.

He would especially like the public to know that meteorology has turned out to be one of the most complex sciences man has undertaken to explore.

It involves the study of a layer of gases cloaking the earth to a height of several hundred miles and weighing something in the neighborhood of 4 million billion tons.

These gases are in a constant state of flux—boiling upward, spinning, turning, and then plunging down again. In this devil-dance of the earth's atmosphere, the weather is created.

It is something of an exaggeration to say that if a man sneezes in China a hot day in Texas may result. But it is true that any action in the atmosphere in any part of the world may have an effect on the weather anywhere else in the world.

"Man doesn't know the complete answer to problems involved in such things as economic cycles, polio, or cancer," the meteorologist will say in his own defense. "Why should people expect us to be able to tell them everything about the weather?"

The weatherman's job begins with the gathering of data from weather stations all over the world. At those stations things such as temperature, wind velocity, humidity, and atmospheric pressure are measured.

UPPER AIR DATA NOW TAKEN

Formerly these measurements were made only at ground level. Now some of the weather stations also take soundings in the upper air. These new measurements have proved extremely valuable.

The data from all these stations are transmitted to the forecasting centers where they provide the raw material with which the forecaster works.

The limited budget provided for the Weather Bureau coupled with the inflationary trends of the times has made it necessary for the Bureau to effect economies. Consequently there has been a steady whittling away of weather observation stations.

The committee appointed by the Secretary of Commerce to study the Weather Bureau said in its report that it viewed "with considerable concern" the elimination of those stations and advised that the matter be carefully considered before further reductions were made.

If the trend were to continue important gaps would appear in the weather map and the forecaster would be hobbled almost to a crippling degree in trying to do his job.

In general the meteorologists queried for this survey felt that the present land net of observation stations in the United States was adequate for forecasting. Several, however, complained about the closing down of particular stations.

Most felt that more frequent soundings of the upper air (it is now done twice a day) would be helpful for those involved in weather research.

MORE SEA INFORMATION NEEDED

Many of the meteorologists also felt that not enough upper air data were available from sea areas. There is a gap in the Pacific Ocean, for example, that is as big as the

United States itself. And much of this country's weather is born in the Pacific.

As a result of this situation instead of solid data with which to work the forecaster must, substitute an educated guess. Such a procedure is hardly satisfactory from his point of view.

At this point the cruel matter of economics again interjects itself. The operating cost of a land weather observation station is about \$25,000 a year. A year's upkeep of a weather ship at sea, providing the same kind of information costs \$1 million.

At some point along the line it must, therefore, be decided if the data obtained from the ship are worth \$1 million a year. In the case of Weather Ship "H," which was stationed in the Atlantic about halfway between New York and Bermuda, it was decided to discontinue its services. Meteorologists are still arguing about that decision.

Once the data are obtained, the next step is to disseminate it to forecasters and private users throughout the country. Here again the Bureau is encountering trouble because of budgetary difficulties.

Officials of the Weather Bureau say that their communication network just isn't adequate; that a lot of the data picked up at the observation stations cannot be transmitted because of a bottleneck in the wires.

NEW DEVICES REQUIRED

Were the Bureau able to purchase a new type of teletype equipment, which can handle 600 words a minute instead of the 60 that the present equipment can transmit, that bottleneck would be eliminated.

When the data does arrive at the forecasting center, it is then worked on by the meteorologist in the Bureau. A weather map is prepared from the data, and then the forecaster must pit what he knows about the science against what shows on the map.

His answer comes out in the form of a prediction. How good that prediction is depends on the ability of the forecaster—how well he is able to estimate the product of the many, many forces that are at play in the atmosphere.

And again monetary factors are interposed. One of the crying needs of the Weather Bureau is good personnel. Not many young men are entering the field of meteorology. To get the good men in the field it is necessary to pay them an adequate salary. The salaries paid by the Weather Bureau are not high.

Many of the employees of the Weather Bureau leave to work elsewhere for economic reasons. And young men just entering the field are attracted by the salaries offered by private industry.

RESEARCH PROGRAM PINCHED

For years now the Weather Bureau, for reasons of economy, has been spending just token sums on research. So badly has their research program been pinched, that the Air Force and the Navy have been forced to undertake research functions, which are not properly within their realm.

Everyone concerned with the problem is anxious to see the Weather Bureau undertake the basic research in the weather field. But this cannot be done until the bureau receives a larger budgetary allotment.

It is axiomatic that the fewer employees there are in a weather station, the less direct service can be given to the public.

Beyond a straight forecast there is controversy as to exactly how much information the Weather Bureau should give to the public. Most meteorologists feel that the Weather Bureau should not take upon itself the burden of supplying a special service to a special business.

That kind of service falls within the province of private meteorology, a profession which those connected with weather study and prediction feel has great potentialities.

While the Weather Bureau will be issuing general forecasts, the private meteorologist will be thinking in terms of the particular conditions that will affect a company's operation.

Occasionally, however, the bureau does step across the line and give special advice—perhaps to a utility company, perhaps to a candy company, which doesn't want to make shipments when it is very hot.

In another instance, some of the large airlines depend entirely on the Weather Bureau to provide their pilots with the detailed and specialized information they require.

Many persons in the field feel that these special services of the Weather Bureau should be discontinued. They feel it is a disservice to the public to take the time of the bureau's limited personnel to perform such special jobs.

Others disagree, maintaining that these services are a proper function of the Weather Bureau.

[Press release of U. S. Department of Commerce, Weather Bureau]

STATEMENT OF FUTURE REQUIREMENTS OF THE WEATHER BUREAU

The Weather Bureau is responsible for forecasting severe storms, floods, and general weather conditions and making such forecasts available to the public promptly for the protection of life and property and for the economic benefit of the Nation. In summarizing what is required for an optimum weather service for the modern needs of the Nation, it should be kept in mind that weather is a highly variable phenomena which affects the daily activities of almost every citizen and the entire national economy. Furthermore, the weather forecast problem is one of the most difficult in the physical sciences and requires a large network of weather reporting stations equipped with modern instruments for accurately measuring weather elements from the earth's surface to high levels in the atmosphere (80,000 feet or more) at frequent intervals. There are certain serious limitations in the Weather Bureau facilities for preparing accurate forecasts and warnings and for disseminating such information promptly to the public.

I. IMPROVEMENTS PLANNED FOR FISCAL YEAR 1956

The Weather Bureau's plans for fiscal year 1956 include provision for improving its forecasts and advices by installing improved equipment for measuring high altitude wind and weather conditions at all upper-air observing stations, radar for detecting and tracking severe storms will be installed at 12 stations, equipment for measuring the height of cloud bases and visibility near the end of the instrument landing runways will be provided at 45 airports, and other improvements will be made in facilities for reporting surface weather conditions.

II. IMPROVEMENTS REQUIRED IN SUBSEQUENT YEARS

A. Observational requirements

1. Land reports: Additional radar facilities should be provided for detecting and tracking severe storms so that radar weather coverage can be maintained along the Pacific coast and over the entire area from the Great Plains eastward to the Atlantic and gulf coasts. The completed network will require about 70 additional sets of high-powered radar equipment. End-of-runway observational equipment should be provided for approximately 120 additional airports for protection of life and property during marginal weather conditions. Airway observations for airline operations are required at a number of airports used by scheduled carriers where there is no Weather Bureau or other Government weather reporting facility. Weather stations at these airports

are needed. The frequency of observations taken at all upper-air sounding stations should be increased from 2 to 4 times daily and a few additional upper-air stations should be established. These improvements will complete the observational facilities currently needed over the continental area.

2. Marine reports: Approximately 75 additional marine reports of surface conditions by merchant vessels are needed daily from the Atlantic, Gulf and Pacific areas. The need for additional nighttime reports from ships in the Gulf and Atlantic areas during the hurricane season is especially urgent.

3. Instrumental development: Intensified work needs to be done on the development of improved instruments for weather observational purposes. Most urgent are the needs for (1) development of improved and cheaper methods of obtaining upper-air observations, particularly over the ocean areas; and (2) development of automatic equipment and remote reading instruments for observing and reporting weather conditions, so that the large amount of labor required for weather observational purposes may be reduced and reports may be obtained from isolated locations which are difficult and costly to staff.

B. Forecasts and severe weather warning requirements

1. Staffing: Additional staffing for preparation of forecasts should be provided at most of the forecast centers, particularly for the preparation of agricultural weather forecasts. Modern river forecast centers now provide forecast service for approximately half the streams of the country. Eight additional river forecast centers with supporting facilities should be established in order to provide full coverage.

2. Communications: Facsimile receivers for the reception of charts and maps from the Central Analysis Unit should be provided for about 200 offices in order to improve the preparation of forecasts and severe weather warnings. The installation of additional teletypewriter facilities in the tornado and hurricane areas also is needed for the transmission of data required for the forecasting of severe storms.

C. Facilities needed for dissemination of forecasts, warnings, and related weather information

1. Staffing and stations: Approximately 125 counties in the United States having a population of 75,000 or more are outside the areas served by a local Weather Bureau office. Stations should be established in each of these locations and in several less populous areas where severe weather seriously affects the public interest. Service to agriculture would be given high priority in the programs of most of these offices. Additional staffing also is needed at practically all stations in large metropolitan areas in order to facilitate the dissemination of forecasts and warnings to the general public.

2. Communications: Automatic equipment for disseminating aviation and general weather information by radio and telephone has been developed and is in use at a few locations. Equipment of this type should be provided at about 90 locations in the Nation, so that routine information can be disseminated rapidly without need for a large staff.

D. Climatology

Additional professional climatologists are needed in each State to develop, in cooperation with the land-grant colleges, better utilization of climatology by agriculture and other interests. The climatological archives contain a vast amount of data which is potentially highly valuable to business, industry, commerce, and agriculture but the limited facilities of the Weather Bureau have prevented adequate use of this material. A comprehensive climatic atlas of the United States should be developed to meet the great variety of climatic problems confronting

agriculture, commerce, industry, public works, and transportation. More intensive studies of drought, of long-term climatic changes, and of the influence of climate on agriculture should be conducted.

E. Research

For a number of years expenditures for research have amounted to only about 2 percent of the Weather Bureau's budget. The complex nature of meteorological processes and the urgent need for improved forecasts justify a substantial increase in funds for research purposes. The following items should receive high priority during the next few years.

1. Severe storms: An intensive research program on the various aspects of the hurricane forecast problem is very urgently needed. Research on other types of severe storms, such as tornadoes, also should be intensified. Improvement in the forecasting of severe storms and other weather occurrences is dependent to a large extent upon a better understanding of their structure and nature.

2. Numerical weather prediction: Trials now being made in the application of high speed electronic computers to weather forecasting offer great promise that the accuracy and quality of weather forecasts may be substantially improved. However, the preparation of weather forecasts with electronic computers is a highly complex procedure and needs intensified study.

3. Long-range forecasts: Within recent years moderate success has been achieved in preparing monthly outlooks or forecasts. The technique employed is dependent upon analysis of the large scale atmospheric circulation over the entire northern hemisphere. The improved high altitude wind observations which will be available in the next few years will provide valuable basic data with which to improve this technique. Studies in this field should be increased because even limited improvements in the accuracy of long-range forecasts would be of great benefit to the Nation.

4. Additional research also is needed concerning the physical processes involved in the formation of precipitation and on the possibilities of artificially modifying weather conditions. The manner in which water vapor in the free atmosphere is transformed into precipitation or cloud masses is imperfectly understood and constitutes one of the major basic problems in meteorology.

The foregoing improvements will provide a highly effective national weather service but will require about 6 years to accomplish in a sound and efficient manner, because of the time requirement for recruiting and training technical staff and the procurement and development of supporting facilities. Funds in the President's Budget for 1956, therefore, represent an important step in this long-range improvement plan for the Weather Bureau's observing, forecasting and distribution system.

NOTES ON THE RECORD LOSSES FROM 1954 HURRICANES

(A paper presented at the joint spring meeting of the American Geophysical Union and the American Meteorological Society at Washington, D. C., May 2-6, 1955, by Norman R. Hagen, meteorologist, U. S. Weather Bureau)

(Hurricanes Carol, Edna, and Hazel not only broke many meteorological records, but together far surpassed previous annual records for damages by all types of North American severe storms. Hurricane Carol on August 31, 1954, alone caused damage amounting to nearly \$500 million. Comparisons with previous losses, some storm highlights, and damage assessment problems are discussed briefly.)

The 1954 hurricane season at many localities broke a variety of meteorological records,

such as highest wind speeds, lowest pressures, greatest rainfall amounts, and deepest salt water inundations.

The purpose of these notes is not to enumerate all such observation data, but rather to highlight facts showing that hurricane damages in 1954 far surpassed previous annual damage records by all classes of North American storms. These recently collected figures on the size of the 1954 losses, however gruesome, may be of more than passing interest to coastal business interests and to meteorologists already concerned about preparations for the 1955 hurricane season.

Annual storm damage, to some extent, is a measure of the worth of warning services that could be provided by a forecast organization. There would be less public demand for storm protection services if there were no severe storms, or if our severest weather occurrences were of no economic significance. Conversely, there would be more public demand for better forecast services if the total number of severe storms were large. Moreover, if total annual property damages were tremendous, and total loss of life exceptionally high, there would be reduced strain on scientists in justifying adequate warning program budgets before fiscal-minded officials.

It seems useful, accordingly, to review the estimates of damage that occurred as a result of the 1954 hurricanes.

First of all it must be realized that only general estimates of property damage are possible. A complete catalog would be needed to total all the areas affected by hurricanes, and all the various types of losses which occurred. Such assembled statistics, however, still would be subject to criticism as to the damage criteria and the census techniques used.

Figures on fatalities also may be misleading, since some of the deaths are only indirectly attributable to hurricanes. Nevertheless, the actual figures for 1954 are very large indeed.

In one 1954 hurricane a quarter-million telephones suddenly went out of order, and millions of feet of wire were blown down. In another 1954 hurricane, hundreds of thousands of homes and business establishments were deprived of electric power, and the business economy of many communities quickly came to a full stop.

In many States repair crews worked night and day for a month untangling the devastation. In a single city thousands of employees were thrown out of work for weeks because of salt water damage to vital production machinery and stock material.

Along some beaches dozens of houses disappeared without trace. In other communities hundreds of buildings were completely demolished. Food spoilage was immense. Crops covering entire counties were ruined. Thousands of small craft were sunk or damaged. The real cost and social loss of millions of downed trees perhaps never can be measured satisfactorily.

From the data readily available I have abstracted the following brief statements on general damage from the 1954 hurricanes in North America (it should be remembered that figures on property damage, and on the loss of life from hurricanes are prepared by several different procedures, and are not always comparable in different States or countries):

1. Hurricane damage in 1954 was the largest in history. The total loss in North America, by conservative estimate, was nearly \$1 billion.

2. In North America 750 lives were lost because of hurricanes in 1954.

3. Hurricane Carol on August 31, 1954, caused more property damage than any single storm in North American history. Estimates of the damage caused by this New England storm now total about \$500 million.

4. About 600 people lost their lives throughout the long twisting passage of Hurricane Hazel over Haiti, the Bahamas, the United States, and Canada.

5. Mexico also suffered large damage from 1954 hurricanes. Hurricane Alice caused 38 deaths in that country, and 5 more Mexicans died because of Hurricane Florence.

6. The tropical disturbance Gilda caused very heavy rainfall in British Honduras, and resulting floods brought death to about 30 people, and left thousands homeless in Central America.

7. In the United States alone the 1954 hurricanes caused about 200 deaths, and caused property damage of about \$800 million.

8. It is sometimes mentioned that the number of claims made to insurance companies is a rough indication of total storm damage. If so, Hurricane Carol was the worst catastrophe in history, since more damage claims were made as a result of Hurricane Carol than any other storm or natural disaster in American records up until September 1954. Insurance men say that about 300,000 damage claims were made following the onslaught of Hurricane Carol across New England. Yet, in the National Underwriter magazine of last month, it is stated that Hurricane Hazel resulted in more damage claims than Hurricane Carol and Edna combined.

9. Approximately \$150 million were paid out by insurance companies to the property owners in New England who claimed damage as a result of Hurricanes Carol and Edna. The total damage in New England, both insured and uninsured, apparently was about 4 times the \$150 million actually paid out to insured property owners.

10. One insurance official stated that 840 insurance adjusters worked around the clock for 5 months settling claims resulting from Hurricanes Carol and Edna, and that this small army of adjusters paid out an average of \$350,000 a day for this entire period.

11. A report in December 1954 by the National Board of Underwriters estimated that total insurance property damage caused in the United States this year by all 3 major hurricanes, Carol, Edna, and Hazel, exceeded \$276 million.

12. The losses of many insurance companies in 1954 were staggering. For example, in Massachusetts one large group of insurance companies received \$8 million of premiums in 1954, and paid out losses of \$54 million. That is about a 7 to 1 loss. Many individual companies reported a 10 to 1 loss. Naturally, insurance rates for the coming years have already gone up, in some cases several hundred percent.

It is not known to meteorologists what part of total property damage, on the average, is covered by insurance. Much damage obviously is not covered, since certain types of damage usually are not included in standard insurance policies. Moreover, there are many policies which contain special deductible and exemption clauses.

Many complaints, and many new protection coverage problems, have arisen. For example, the problem of wave-wash damage recently has caused much discussion between policyholders and adjustment agents. The extent of television antenna damage also raises new problems.

All the damage figures have not yet been collected, and all the damage claims have not yet been paid. For those interested in taking action for future protection it might also be said that all the solutions proposed for better warning services have not yet been collected nor publicly discussed.

The record property damage and loss of life figures listed above suggest that the 1954 hurricane season not only warrants a second look by meteorologists, but also calls for a thorough study by those directly interested in added protection of life and property in our coastal areas.

[From the New York Times of May 9, 1955]

HURRICANE WARNING

Last summer's hurricanes killed 200 people and caused about \$800 million damage to property as they tore into the coasts and back country of our Northeastern States. They also confirmed the grim presumption that this part of the country is now definitely in the hurricane zone. Disaster experts, however, estimate that 90 percent of the loss of lives and possibly as much as 25 percent of the property damage from hurricanes could be prevented if the Weather Bureau were able to give more precise and timely warnings broadcast over all our communications media and based on much more knowledge than it has about the air currents far aloft and out to sea.

In view of all this, the public has a right to expect an immediate and substantial increase in the Bureau's facilities and personnel. Shocking as it will be to those unfamiliar with the Federal budget now before Congress, nothing of the sort is in sight for the next fiscal year (July 1, 1955-June 30, 1956). In a letter published on this page a well-known meteorologist raises a timely alert as to this dangerous situation. His letter, however, suffers from understatement.

If the appropriations called for in the budget are not increased, the Weather Bureau will not, in practical effect, get a cent more for research and its general weather reporting services next year than this. The Bureau itself states in its budget justification that "research in 1956 is planned at about the same level as for 1955," and there will actually be one less staff member assigned to this work.

The overall budget for next year, it is true, is \$3 million more than last (\$27,850,000), plus a special \$5 million extra for equipment to be spent over the next 4 years. But the \$3 million is to cover the expenses of taking over observation activities which the Air Force previously carried on, and the \$5 million—except for new radar installations—is largely to replace old equipment. No more stations are provided for and no strengthening of the present inadequate and underpaid but expert staff. (The Bureau has lost 1,000 employees since 1949, and the average annual pay for those who remain is \$4,864.)

The very least that should be done by Congress is to pass the Patterson bill, H. R. 5260, which provides an additional \$5 million above the budget allowances for the Weather Bureau—to be used exclusively "in the operation of an emergency hurricane warning system." But Congress might well look into the adequacy of the Weather Bureau's budget all along the line. As far as hurricanes are concerned, additional expenditures now may well be covered, and many times over, by savings to the public in the long run.

WEATHER RESEARCH ASKED—NEED SEEN FOR FULL-SCALE PROGRAM TO IMPROVE WARNINGS SYSTEM

To the EDITOR OF THE NEW YORK TIMES:

Last fall your paper carried an interesting series of articles by Robert Alden on the hurricane prediction problem. This was followed, as I recall, by an editorial in which you pointed out the need for more research in the general field of weather prediction.

I would like to take the liberty of referring your readers to that series of articles and to your editorial at this time, because there are now before Congress several bills aimed at providing funds for research on the hurricane problem and for development work on a system of improved hurricane warnings (e. g., H. R. 5260, introduced by Congressman PATTERSON). It is to be hoped that the interest and enthusiasm which was kindled last fall by your discussion can now be brought to bear on the important matter of making funds available for such work.

In the matter of weather prediction in general, and in the case of hurricanes and tornadoes in particular, we are confronted with one of the most difficult scientific problems of our times. However, we have seen time and again during the past weeks, months, and years that scientific problems of great difficulty have succumbed to a sustained and intensive research effort. As a professional meteorologist, I feel that the weather problem in time will also be brought into hand.

In order to do this, however, we must be prepared to support the full-scale program of

research and study which will be required. The measures now before Congress asking for this kind of work are rather modest relative to the magnitude of the problem, but unless they are supported we are only going to defer positive action on a weather problem which has in the past, and may in the future, take a frightening toll of life and property.

THOMAS F. MALONE,
Director, the Travelers Weather Research Center, the Travelers Weather Service.

HARTFORD, CONN., April 26, 1955.

U. S. Department of Commerce, Weather Bureau, appropriation history 1951-56

Year	Requested of Department	Requested of Budget Bureau	Requested of Congress	Amount appropriated
1951.....	\$35,573,242	\$28,817,000	\$26,100,000	\$24,897,000
1952.....	41,850,967	32,173,000	28,565,000	26,970,000
1953.....	42,305,000	30,315,000	28,000,000	27,244,775
1954.....	42,434,600	30,456,400	26,700,000	27,000,000
1955.....	28,022,200	26,810,500	25,135,000	24,940,000
1956:				
Salaries and expenses.....	33,956,744	27,950,000	27,850,000	-----
Establishment.....	15,284,000	10,000,000	5,000,000	-----

Mr. GROSS. Mr. Chairman, I support this amendment on the basis of assurance given by the sponsor, the gentleman from Rhode Island [Mr. FOGARTY] that the increased appropriation will be used to expand weather bureau facilities in the middlewest as well as improve the hurricane warning system along the east coast.

In his statement setting forth the need for an increased appropriation, the gentleman from Rhode Island includes Waterloo, Iowa, as one of the strategic locations for a new weather bureau station.

I am pleased to note that the gentleman specifically singles out Waterloo, Iowa, as a strategic and necessary location in the chain of stations gathering and disseminating weather information and it is to be expected that the Weather Bureau in Washington will take full cognizance of this recommendation in the opening of new stations.

Mr. DONOHUE. Mr. Chairman, I rise in support of this amendment, offered by my distinguished colleague from Rhode Island, to increase the proposed appropriation for Weather Bureau activities, in order to provide more extensive hurricane warning service and more efficient storm forecasting throughout the country.

This comparatively small amount of money is designed primarily to permit Weather Bureau offices in 15 coastal cities from Maine to Texas to maintain warning operations throughout 24 hours and allow the opening of new offices in several geographically strategic locations from California to Massachusetts, including forecasting facilities at New Bedford and Worcester, Mass.

Anyone familiar with the recent history of terrible destruction of life and property following in the wake of sudden and violent weather changes realizes they have cost the Nation thousands of lives and hundreds of millions of dollars in damage and disintegration of physical properties.

In my own home city of Worcester, and the surrounding area, we experienced the actuality of such terrifying

weather phenomenon in the nature of a vicious tornado which struck unexpectedly without warning on June 9, 1953 leaving 98 deaths and 1,000 injured, 12,000 homeless and 25,000 demolished homes. Conceivably, many of these lives might have been saved and a substantial part of the physical damage prevented if full and adequate warning and directing facilities were available.

In these days of very heavy Federal spending, none of us are inclined to increase appropriations without serious justification but under conditions and circumstances where a relatively small sum could well preserve the lives of American citizens and prevent millions of dollars of damage to their homes, with accompanying tragedies, this action certainly cannot be termed an extravagance but is more truly described as a service and precaution we can ill afford to be without.

God forbid that the time should ever arrive when we succumb to the temptation of trying to save a comparatively few dollars instead of many American lives.

I urge you, therefore, to unanimously approve this amendment.

Mr. BOLAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Rhode Island [Mr. FOGARTY].

Mr. Chairman, weather is the Nation's business. The Weather Bureau is a service function of our Government. This was so recognized by the Congress in 1870 when it established the Signal Service of the Army. The service this agency of the Army performed spilled over into civilian life and it soon became evident that a civilian bureau was necessary to collect and disseminate weather information. The organic act establishing the Weather Bureau under the Department of Agriculture came in 1890. The rapid strides in aviation placed greater emphasis on weather information and, in 1940, the Weather Bureau was transferred to the Department of Commerce.

The service the Weather Bureau has rendered to the Nation is incalculable.

Every segment of the Nation's economy benefits from its functions, for every segment of the Nation's economy feels the impact of the elements, whether fair or foul.

One of the functions of the National Weather Service is to issue severe storm warnings, cold wave warnings, and flood warnings to the general public where extensive danger to life or property is involved. And this is the particular area in which the Weather Bureau activities have been most criticized by the press, the public, and, strangely enough, by the Congress itself.

I think it elementary that the Weather Bureau is prohibited from exercising its maximum efficiency in this field unless, first, it is adequately staffed with competent personnel; second, it maintains sufficient observation stations; and, third, it is equipped with the most modern and up-to-date equipment. Without these three basic requirements, it is not possible for the Weather Bureau to adequately perform the tremendously important task of detecting severe and unusual weather, and issuing timely warnings to the public to save lives and protect property.

The record will show that the Weather Bureau has never received adequate funds. Its budget requests have been consistently cut by the Department of Commerce, again by the Bureau of the Budget and many times by the Congress. In the face of these dollar slashings, how can anyone expect the Weather Bureau to give adequate service, particularly with reference to severe and unusual weather—hurricanes and tornadoes?

It has been well said that the Weather Bureau has been for many years a step-child. This attitude has resulted in a hesitancy on the part of the service to push more vehemently for adequate funds to perform its functions.

Mr. Chairman, I direct the attention of this House to a very significant report published on December 1, 1953, by the Department of Commerce Advisory Committee on Weather Services. In its findings the committee deplores the moneywise meagerness paid the Bureau. Let me quote from that report:

We have been aware of the need for effecting budget savings when compatible with acceptable efficiency. This has been difficult because, as will be seen, this is one Government organization which has been frugal to the point of diminishing returns.

And again:

Throughout the activities of this committee budget difficulties of the Weather Bureau have been encountered at every turn. It is only fair to state that part of the recommendations contained in this report cover deficiencies recognized by Bureau officials and could have been remedied if sufficient appropriations had been available.

Mr. Chairman, the Advisory Committee on Weather Services has reviewed budget estimates and fiscal matters of the United States Weather Bureau dating back to 1938 to obtain background information on the development of the Weather Service. It came to the conclusion that—

A review of the history of the Weather Bureau budget has impressed the committee with the frugality of this Bureau's operations

and its management is to be commended in the manner which they administered public funds. We know of no other governmental agency that has been so economical in the expenditure of its funds.

Mr. Chairman, I commend the Committee on Appropriations, and specifically the members of this subcommittee, for granting some increases—particularly with reference to the item dealing with the establishment of meteorological facilities. The acquisition of modern equipment has at long last been recognized as a must.

But, Mr. Chairman, as pointed out by the gentleman from Rhode Island [Mr. FOGARTY], it has not gone far enough. There is an urgent need now for increased personnel; the reopening of old and the establishment of new observation stations; the setting up of a better warning system. The amendment under discussion provides these deficiencies. The Weather Bureau recognizes their need; the Advisory Committee on Weather Services recommended the addition of trained and adequate number of forecasters.

This is one way in which we can meet out responsibility to the public. To provide sufficient funds to warn the public of possible impending disasters to life and property is the duty of this body. No, Mr. Chairman, we cannot, at least now, stop the severity of the hurricane, the tornado, the tidal wave. But we can and we must lighten their impact on the public. This amendment does just that. It ought to be overwhelmingly adopted by this committee.

(Mr. WAINWRIGHT asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. WAINWRIGHT. Mr. Chairman, it is a pleasure to join my colleague from Rhode Island [Mr. FOGARTY] in support of his amendment. The Weather Bureau budget originally called for \$49,731,000; the Secretary of Commerce reduced the amount to \$38,441,000; the Bureau of the Budget cut out another \$5 million; the Appropriations Committee reduced the amount still further. The United States Weather Bureau is expected to service airlines; farmers; travelers—in fact all our citizens for this paucity amount.

But above all, we who live on the Atlantic coast need first class storm warning. Last year, for example, there was inadequate warning before Hurricane Carol struck. Had we been given even 12 hours' notice, lives would have been saved and property protected. The first action I took after this great hurricane was to call the Acting Chief of the Weather Bureau, Mr. Little.

After a long and detailed conference on this subject with Mr. Little, I became convinced that the Weather Bureau had been given insufficient funds. This year they have also been given insufficient funds. The fault, for once, does not seem to lie wholly with Congress. The Commerce Department and the Bureau of the Budget have mauled the Weather Bureau requests. By our action in supporting Mr. FOGARTY's amendment, we have restored \$2,250,000.

This money will be used to provide a sufficient staff to keep the weather sta-

tions open 24 hours a day at such important locations to those of us who live on Long Island as New Haven, Conn.; Block Island, R. I.; Bridgeport, Conn.; and New Bedford, Mass.

Specifically, these funds will be used to operate special teletypewriter, facsimile, telephone, and radio networks for the prompt relay of meteorological information used in forecasting hurricanes and major storms, and used for instantaneous distribution of hurricane warnings and alerts to all areas and citizens concerned.

It will also provide additional forecasters, additional meteorological chartmen, and additional communicators to provide around-the-clock hurricane forecasting watches at each of the following six hurricane forecast centers: Boston, New York, Washington, Miami, New Orleans, and San Juan.

Of great importance to Long Island and to our fishermen will be the improved high water warning service which will inform coastal areas of approaching high storm tides, damaging waves and other coastal inundations from abnormal water levels and floods associated with hurricanes and heavy coastal rainstorms.

I have been told the funds will also be used for the establishment of emergency hurricane warning centers. I suggested the establishment of such centers in my conversation last year with Mr. Little. We will also be able to obtain reports of upper-air conditions in the path of approaching hurricanes similar to the information obtained from the ocean vessel ship station formerly established as a weather station halfway between New York and Bermuda.

Finally, I would like to pay a tribute to the men of the Weather Bureau Service for the grand work they do under extremely difficult conditions. They are always to blame if in the smallest degree wrong—and they never receive any credit when right. Maybe these funds will give them a better break.

(Mr. PHILBIN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PHILBIN. Mr. Chairman, I am pleased to support this amendment to increase the funds for the Weather Bureau and heartily congratulate the very able gentleman from Rhode Island [Mr. FOGARTY] for persistence, zeal, and great ability which have led in such large measure to favorable action.

Those of us who reside in areas that have been stricken by the ravages of Mother Nature's great and unexpected catastrophes particularly appreciate the urgent need for adequate hurricane warning and accurate storm forecasting.

Some of these great storms strike with startling suddenness and with little or no warning. Such a storm was the Worcester, Mass., tornado of about 2 years ago which inflicted heavy loss of life and property damage. It tore a path through parts of the district I have the honor to represent and through the district represented by my able and good friend, the gentleman from Massachusetts [Mr. DONOHUE], and in the short space of minutes left a trail and wake

of death and devastation never before known in New England and with few equals, indeed, throughout the Nation.

Hurricanes of great severity and fury have repeatedly taken a toll of lives and property in New England. Last year we were visited by three very destructive storms.

It is believed by expert meteorologists and climatologists that much of the loss of life and property damage could have been avoided or minimized if proper warnings had been sounded in advance of the storm and failure to give such warnings was due in large measure to the fact that the Weather Bureau was not sufficiently financed and organized in the area.

Thanks to this amendment, these added most valuable services will now be provided. Established offices of the Weather Bureau will be improved and new offices will be opened, including one at Worcester, Mass., and New Bedford, Mass. I think that this is a very helpful and constructive amendment and I am glad, indeed, to support it. Our great friend the gentleman from Rhode Island [Mr. FOGARTY] has rendered another distinct public service in securing agreement on this amendment.

In brief, this amendment, as a matter of actual benefit, makes possible the following extensions of Weather Bureau service:

First. It will provide staffs to keep Weather Bureau offices additionally open in 10 coastal cities from Maine to Texas.

Second. It will reopen certain key observatory offices across the country.

Third. It will permit installations and utilization of special technological equipment for proper relay of weather information.

Fourth. It will improve and extend all facilities for weather forecasting, "emergency hurricane warning centers," and other modern methods of weather broadcasting, and on the whole it will have a most salutary effect on the agency. It will provide a stimulus and encouragement to personnel. It will improve the administrative tone. It will bring many good results.

(Mr. PATTERSON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PATTERSON. Mr. Chairman, I wish to express my appreciation of the recognition given today to the objectives of my bill, H. R. 5260. Today's amendment to H. R. 6367 by the House of Representatives Appropriations Committee provides \$2,250,000 of additional funds to the Weather Bureau for the immediate establishment of an emergency warning system for hurricanes and severe storms.

Today's action will mean a small amount of increased protection during the hurricane seasons of 1955 and 1956, but I feel our citizens should be guaranteed a much greater reduction in unnecessary loss of life and property damage from storms along the eastern and southern seaboard of our country than can be procured through such a meaningless amount as adopted today.

This increase of \$2,250,000 will carry out only a small part of the complete warning program which was planned under my bill, H. R. 5260. But I admit it is at least a timely step in the right direction. In my opinion a \$5 million increase to the original 1956 fiscal year estimates of the Department of Commerce would be needed to establish the minimum facilities and staff required for a modern hurricane warning system. This opinion is backed up 100 percent by meteorologists all over the country, and by insurance companies and businessmen who know the problem firsthand.

Passage of the \$2,250,000 Appropriations Committee amendment means that only a few additional stations can now be reopened in hurricane-swept areas, and only a few additional stations can now be kept open 24 hours a day. Passage of this amendment also means that only some minor improvements can be made in hurricane warning communications systems, and means that some key warning centers can not be provided the increased staff actually needed to do the job forecasters want to do.

I know that many citizens along the coast will not be satisfied with these modest improvements in hurricane protection services. But since I well know that business firms and trade associations are vitally interested in better and more timely warnings, and without further delay, I have not objected further to this small increase in funds recommended by the Appropriations Committee.

I have assembled below several excerpts of the hundreds of letters I have received from citizens located in all States along the Atlantic and Gulf of Mexico coasts who have commented on the objectives of the bill I introduced on March 28, 1955, H. R. 5260.

A similar bill, it is of interest to note, was introduced in the Senate by Senator WILLIAM A. PURTELL, of Connecticut, on May 11, 1955, S. 1932. I feel certain Senator PURTELL will receive numerous letters supporting our stand that \$5 million is the minimum amount needed for a modernized hurricane warning system that will give the type of complete protection against storms demanded by millions of our citizens.

I commend Connecticut's Senator for his foresight and consideration of the lives, welfare and prosperity of the people of our great State, and for the protection Mr. PURTELL offers through his legislation for the people of the east coast and the tornado-torn areas of the Southwest and Middle West. I feel certain the other body of this Congress will see the great need for the requests in his legislation.

From the Revere Copper & Brass, Inc., New Bedford division, New Bedford, Mass.:

I think the bill is an excellent one.

In a survey of the damage sustained it was noted that the direct cost of hurricanes Carol, Edna, and Hazel amounted to over \$9 million. This did not include the loss of jobs, profits, and other tangible and intangible costs. In the instance of our own company, Revere Copper & Brass, Inc., we sustained a loss of \$1,455,000.

If we had had early warning on hurricane Carol it is estimated that our loss would have been reduced by \$300,000 to \$500,000. I venture to say that the same is true of our waterfront firms in this area.

Including the industrial loss, New Bedford suffered a total loss of over \$50 million in the series of hurricanes last year, a considerable amount of which could have been saved had the area had sufficient warning.

As you pointed out, along with the early warning we could expect a reduction in "unnecessary fear and apprehension in the areas in or close by the expected paths of future hurricanes." This is a very important item with industrial plants, and it is best exemplified in this area by the fact that over \$350,000 was expended by our 35 industrial firms in getting ready for hurricanes Edna and Hazel, which did not cause any serious damage.

To sum it up, we are wholly in accord with your bill H. R. 5260.

From the chamber of commerce, Greenwich, Conn.:

The board of directors agree with the proposal outlined in H. R. 5260. We believe your proposal has real merit.

From the Acushnet Process Co., New Bedford, Mass.:

The city of New Bedford, Mass., was very badly hit in 1938, in 1944, and by Carol in 1954. In 1938 we had 230 deaths in the Greater New Bedford area, and in 1954 we had more than \$50 million damage. There were 35 industries in New Bedford which were badly affected by flood and salt water and extremely high winds. Damage to these industries alone amounted to more than \$10 million.

Surveys which we have run among the 35 industries indicate that probably one-half of the \$10 million damage could have been spared if the plants had ample warning to move material and equipment to higher ground and bulwark their plants against the surge of the salt-water flood.

We recognize that in the long run it may be possible to get physical protection, but we also realize we may be able to get relief from future hurricanes if we are able to get accurate forecasting as to the probable path of the hurricane and as to the time of arrival.

The New Bedford committee on hurricane damage and each of the industries it represents is wholeheartedly in favor of your program, and would like to do anything we can to get speedy passage and prompt action.

From the Union Reinsurance Co., of Zurich, Switzerland, the United States branch office:

Anything that will be done to reduce, as far as possible, the loss of our life and property has our wholehearted approval and support.

From Mr. Thomas F. Malone, director Travelers weather research center, Travelers Weather Service, Hartford, Conn.:

Your active interest in a matter of deep concern to New England is much appreciated, and, as a meteorologist, I am happy to endorse your proposed bill.

The loss of life and property from hurricanes has been so great that a concerted program of research on this problem seems obviously justified.

From the Connecticut General Life Insurance Co., Hartford, Conn.:

I think there is no question but that the east coast is entitled to the additional protection that a better hurricane warning system might provide.

I think in these days of needed reduction in budget, one should hesitate to ask for even a modest increase in appropriations,

but this is a case where I have no hesitancy in recommending an enlargement of Government facilities.

From the president of the Travelers Insurance Co., Hartford, Conn.:

I am glad to tell you that I join with Dr. Malone, director of the Travelers weather research center, in endorsing your proposed bill.

From the president of the Bankers Fire Insurance Co., Birmingham, Ala.:

I think this bill is a splendid and very worthwhile work, and that it certainly should be approved.

From the vice president of the Northeastern Insurance Company of Hartford, Hartford, Conn.:

Your proposal, H. R. 5260, is to protect the lives and property of 2 million American citizens living in the immediate vicinity of newly menaced coastal zones, and we all here at this company readily concur in your proposal. We wish you complete success in this undertaking.

From the president of the Phoenix Insurance Co., Hartford, Conn.:

I am in favor with the purposes of this bill and believe that if passed it will perform a very useful service to many millions of citizens and property owners in the Atlantic coastal area from Maine to Texas.

The payout on claims by property insurance companies, such as ours, for the storms in 1954 was a rather devastating experience and naturally resulted in a substantial underwriting loss to our company. Anything that can help people to protect their property by being alerted in advance would be advantageous and interesting to our industry.

The advantages in being alerted to storms can accrue to insurance companies through loss prevention by protecting property when advices of an approaching storm are available. Closing shutters, securing doors, and moving contents, particularly from exposed property on the waterfront, can go a long way in keeping the ravages of wind from doing unnecessary damage.

From the Committee of American Steamship Lines:

Improved hurricane detection is desirable and your efforts to assure adequate provision for this purpose are very much in the public interest.

From the American Boat Builders & Repairers Association, Inc., 2382 Grand Concourse, New York, N. Y.:

We know that such a bill will be greatly appreciated by our members, and we are accordingly advising them of it and requesting that they support it.

From the New England Council, Statler Building, Boston, Mass.:

In a recent survey of New Englanders' opinions of issues before Congress there seemed to be substantial support for the services proposed in your bill.

Unlike many of the other issues on which opinion was solicited where there was a fairly equal division of opinion, the vote was more than 3 to 1 in favor of increasing the appropriation to the United States Weather Bureau for more intensive study and reporting on hurricanes.

Congratulations on your preparation and submission of this bill. The New England Council intends to support it and we wish you the best of luck in gaining its passage in the House.

From the New Orleans Board of Trade, New Orleans, La.:

We are in favor of your proposal that an emergency hurricane warning system be improved to provide better protection.

From the Dixon Sintaloy Co., Inc., Stamford, Conn.:

I am in complete agreement with the need for a satisfactory appropriation for hurricane warning service to the eastern seaboard.

Your bill, H. R. 5260, certainly should serve to provide the means for saving many times over the amount of the appropriation required.

From the PM Industries, Stamford, Conn.:

We support enthusiastically the legislation which you propose and hope that the necessary action will be taken to enact it.

The appropriation under consideration to enable the United States Weather Bureau to establish and operate an emergency hurricane warning system would be of benefit to the manufacturers in our area.

From the New Haven Chamber of Commerce, New Haven, Conn.:

There is no question but what these hurricanes have done a terrific job in Connecticut. No one was prepared for hurricanes which we had not had in quite a number of years, but it is quite evident that we can look for many more of them, and we should be better prepared than what we are.

From the Massachusetts Fisheries Association, Inc., Administration Building, Fish Pier, Boston, Mass.:

What happened in New England during the hurricane which visited us last fall indicated a willful lack of an adequate warning system.

The matter of preserving life and property as much as can be humanly expected should be of immediate concern to our Federal authorities.

The commercial fishing industry of New England is a hazardous occupation at best, and a timely and adequate Federal weather forecasting system would aid immeasurably in reducing the perils of fishing during the season in which we are subject to sudden changes in the weather.

From the American Waterways Operators, Inc., 1319 F Street NW., Washington, D. C.:

Members of this National Association of the Barge and Towing Vessel Industry, who operate on all of the inland waters of the Nation, suffered severe losses during hurricanes last year and thus, I am sure, will actively support the above-mentioned bill in the hope that much of these losses can be eliminated in the future.

From the Stamford-Greenwich Manufacturers' Council, 308 Atlantic Street, Stamford, Conn.:

The matter of appropriating \$5 million, in order that the United States Weather Bureau may be enabled to establish and operate an emergency hurricane warning system, was discussed with a number of manufacturers who are members of the Stamford-Greenwich Manufacturers' Council. This matter was also brought up at our executive committee meeting, and I was authorized to write to you in support of this bill.

I do not need to advise you on the extent of damage done by wind and high water in this area.

Certainly the appropriation you ask, which would serve the entire eastern seaboard, is well justified. We believe that effective and reliable warning service, provided by the United States Weather Bureau, is imperative.

From the president, American Merchant Marine Institute, Inc., 11 Broadway, New York, N. Y.:

I should like to assure you of my personal support for your measure, which would seem to me to be of great advantage to the American merchant marine, as well as to others affected by weather and hurricane conditions.

From the executive director, Rhode Island Development Council, Providence, R. I.:

I believe that all New England Congressmen and Senators should use every effort to see that this type of legislation becomes a reality.

From the head of the department of meteorology, Florida State University, Tallahassee, Fla.:

Since our department is in the forefront of research on the problem of hurricanes, we are keenly aware of the need for action on the part of the Congress.

We are urging our friends to support your bill, or a similar proposal to achieve the same end, as well as any well-conceived proposal which will meet the urgent requirement for a hurricane research and development program.

Your active interest in the hurricane problem is a source of gratification to professional meteorologists, and a great service not only to your constituents but to all the millions of Americans who live along the Atlantic Seaboard and the Gulf coast.

From a professor of meteorology at the Blue Hill Observatory of Harvard University of Milton, Mass.:

I was much pleased to see a news dispatch that you had filed a \$5 million independent appropriation bill to provide greatly expanded forecast facilities up and down the east coast.

A forecast's accuracy depends mostly on the adequacy of the information available. In my opinion, the greatest inadequacy affecting forecasting for New England is the lack of a complete and dependable surface and upper air station in the Atlantic Ocean a few hundred miles offshore.

I think your proposal is definitely worthwhile.

From the chairman of the department of meteorology and oceanography, College of Engineering, New York University, University Heights, New York 53, N. Y.:

My colleagues and I in this department are well aware of the importance of this bill for the welfare of the population in the affected area.

You have in preparing this bill, of course, been in touch with our weather bureau, and know the excellent work which they are doing with inadequate financial means. Your bill will go far toward remedying this situation. It is very gratifying to know of this support for meteorology in Congress, and to find a realization of the contribution which meteorology can make to the welfare of the Nation.

The effects of this bill will be of great benefit to the people in the regions visited by hurricanes, including the people of New York State.

Your bill will go far toward alleviating the financial difficulties impeding the development of a really adequate warning service.

If ship station Hotel had been available in the fall of 1954, much property damage and many casualties could have been avoided.

From the president, American Meteorological Society, 3 Joy Street, Boston, Mass.:

It is most encouraging to learn that some of our Representatives in Congress realize that the weather service in this country deserves more, not less, support. In the long run such support will, I feel sure, result in a net savings to the taxpayers through a more efficient weather service.

I believe the records will show that for last season, involving only hurricanes Carol, Edna, and Hazel, insurance companies paid some \$276 million in claims (New York Times of December 26, 1954).

I know there must have been many additional millions of dollars spent by individuals which do not appear on the record since several members of my own family in Rhode Island suffered uninsured damage as a result of last season's storms.

Thus, it seems to me that the expenditure of \$5 million to improve the storm warning service for the protection of our citizens is a very modest outlay to accomplish the desired objectives.

We in the American Meteorological Society have for some time been concerned about the problem of severe storms of all types. The council of the American Meteorological Society recently voted that the council recognize deficiencies in the state of our knowledge of severe storms, particularly tornadoes and hurricanes. We strongly endorse an increased research effort in this area.

In view of the great losses of life and property suffered by our citizens from the destructive action of tornadoes and hurricanes, the American Meteorological Society recommends that special funds be appropriated to enable the United States Weather Bureau, in cooperation with other public and private agencies, to conduct research projects on tornadoes and on hurricanes.

From the head of the meteorology department, Massachusetts Institute of Technology, Cambridge 39, Mass.:

I was very pleased to learn of your interest in this important matter which affects the life and property of so many persons on the eastern and Gulf coasts of this country.

You are to be commended for your active interest in these problems and for your realization that the Weather Bureau must have additional funds if real progress is to be achieved.

From the editor of Motor Boating magazine, 572 Madison Avenue, New York 22, N. Y.:

We are much interested in your bill, which we hope will receive favorable action by Congress.

From the executive vice president of the American Institute of Marine Underwriters, 99 John Street, New York, N. Y.:

It is known that the various hurricanes which have visited the northeast section of our country have done a great deal of damage to property insured by our members, Hurricanes Carol, Edna, and Hazel, last fall, were particularly devastating.

The advance warning of approaching storms should give more opportunity for protection of property, and for possibilities of moving such property to safer locations. Accordingly, the marine insurance underwriters are definitely interested in any provisions and actions leading to adequate and timely warnings of hurricanes and severe windstorms.

We wish to express our appreciation of your foresight in presenting this legislation.

From the general manager of the Association of Casualty and Surety Companies, 60 John Street, New York, N. Y.:

Surely, the Weather Bureau services are invaluable to the people of this country. If additional funds are needed in order to make the Bureau more useful, such funds should be made available within proper limits.

We appreciate fully the great damage which many of us suffered at the hands of hurricanes Carol, Edna, and Hazel.

From the executive vice president of the Hartford Chamber of Commerce, Hartford, Conn.:

May I commend your alertness in watching out for the interest of southern New England in this peculiar climatic change which we are undergoing.

From the general manager of the Beaumont Chamber of Commerce, Beaumont, Tex.:

We have on many occasions suffered losses from hurricanes and we would like very much to have the Gulf of Mexico coast included in H. R. 5260.

In addition to the above letters, I have received dozens of letters from Representatives, Senators, and governors of States along the east coast and bordering the Gulf of Mexico who have warmly endorsed my bill, H. R. 5260. They have not only written to me expressing their vital interest in the passage of this bill, but have frequently telephoned with offers of their support.

I also have received numerous letters from private citizens who are not connected with any particular company or organization, but who have wished me well in my efforts to secure congressional support for increased protection against the loss of life and property from hurricanes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. FOGARTY].

The amendment was agreed to.

The Clerk concluded the reading of the bill.

Mr. PRESTON. Mr. Chairman, I move that the Committee do now rise, and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HAYS of Arkansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill, as amended, do pass.

Mr. PRESTON. Mr. Speaker, I move the previous question on the bill and the amendment thereto to final passage.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

CORRECTION OF ROLL CALL

Mr. WAINWRIGHT. Mr. Speaker, on rollcall No. 67 I am recorded as not being present. I was present and answered to my name. I ask unanimous consent that the RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

GENERAL LEAVE TO EXTEND ON DEPARTMENT OF COMMERCE APPROPRIATION BILL

Mr. PRESTON. Mr. Speaker, I ask unanimous consent that all Members speaking on the Department of Commerce appropriation bill have 5 legislative days in which to extend their own remarks on that bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

SPECIAL ORDER GRANTED

Mr. JOHNSON of Wisconsin (at the request of Mr. McCORMACK) was given permission to address the House 1 hour on Friday next, following the legislative program of the day and the conclusion of any special orders heretofore granted.

INQUIRIES RELATING TO HOUSING

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 203, Rept. No. 621), which was referred to the House Calendar and ordered to be printed:

Resolved, That the Committee on Banking and Currency, acting as a whole or by subcommittee, is authorized and directed to conduct full and complete studies and investigations and make inquiries with respect to any matter or matters in the field of housing coming within the jurisdiction of such committee, including, but not limited to, (1) the current rate of construction of residential dwelling units in relation to housing requirements and demands, and the role of Government-assisted mortgage programs with respect thereto, (2) the rate of default and foreclosures of Government-insured mortgages, and the disposition of such properties, (3) the refinancing and extension of Government-insured project mortgages, (4) the status and adequacy of the several Government mortgage insurance funds, (5) the disposition of Government-owned war and related housing, (6) operation of the slum clearance and urban renewal programs, and (7) the operation and activities of the National Voluntary Mortgage Credit Extension Committee. The committee shall not under-

take any investigation of any matter which is under investigation by another committee of the House.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable.

For the purposes of carrying out this resolution, the committee or any subcommittee thereof is authorized to sit and act during the present Congress at such times and places within the United States, its Territories and possessions, and the Commonwealth of Puerto Rico, whether or not the House is in session, has recessed, or has adjourned, to hold such hearings and to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or by any member designated by such chairman, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths or affirmations to witnesses.

With the following committee amendment:

Page 1, line 3, strike out "and directed."

INQUIRIES RELATING TO FEDERAL OPEN MARKET COMMITTEE

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 210, Rept. No. 622), which was referred to the House Calendar and ordered to be printed:

Resolved, That the Committee on Banking and Currency, acting as a whole or by subcommittee, is authorized and directed to conduct full and complete studies and investigations and make inquiries with respect to any matter or matters concerning (1) the composition, operation, and activities of the Federal Open Market Committee, (2) the fluctuation in rates of interest and prices of securities issued by the United States and the effect of such fluctuations on the public debt, general price level, employment, the cost of State and municipal financing, and other segments of the national economy, (3) the various types of Government securities, manner of issue, method of payment, maturities, character of investors, and amount and degree of speculation therein, and (4) the various proposals for Federal assistance (other than grants) in the financing of State, county, and municipal (or instrumentalities thereof) highway and school programs. The committee shall not undertake any investigation of any matter which is under active investigation by another committee of the House.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable.

For the purposes of carrying out this resolution, the committee or any subcommittee thereof is authorized to sit and act during the present Congress at such times and places within the continental United States, whether or not the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as it deems necessary. Sub-

penas may be issued over the signature of the chairman of the committee or by any member designated by such chairman, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths or affirmations to witnesses.

With the following committee amendments:

Page 1, line 2, strike out "and."

Page 1, line 3, strike out "directed."

Page 2, beginning on line 2, change the comma to a period, and strike out the following language ending on line 5: "and (4) the various proposals for Federal assistance (other than grants) in the financing of State, county and municipal (or instrumentalities thereof) highway and school programs."

CONSERVATION, DEVELOPMENT, AND UTILIZATION OF THE WATER RESOURCES OF ALASKA

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 251, Rept. No. 623), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3990) to authorize the Secretary of the Interior to investigate and report to the Congress on projects for the conservation, development, and utilization of the water resources of Alaska. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

HURRICANE WARNINGS

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I rise at this time to ask the gentleman from Connecticut [Mr. PATTERSON] about his bill with regard to warnings of hurricanes, tornadoes, and other unusual acts of nature.

Mr. JONAS. If the gentlewoman will yield, I do not see the gentleman from Connecticut here at the moment, but I understand that the need to which his bill refers was taken care of by the Fogarty amendment to the appropriations bill that was just passed a few moments ago.

Mrs. ROGERS of Massachusetts. Yes, but that did not appropriate nearly as much money as the gentleman from Connecticut asked for. I have seen editorial after editorial all over the New England States and elsewhere endorsing his bill. I have read hundreds of letters and telegrams about it. An editorial in the Lowell Sun, Lowell, Mass., of May 12, 1955, reads as follows:

HURRICANE ALERTS

Since there is reason to believe that New England may now be directly in the course of some hurricanes that churn up the coastline from the Caribbean, it would be stupid to wait for the howling winds before doing something about it.

The question was scouted thoroughly this week at a meeting of the New England Region, National Rivers and Harbors Congress, in Boston. It was practically a unanimous opinion that steps must be taken to protect this area against new storms—which may or may not arrive in the latter part of the coming summer.

The general opinion expressed at this Boston meeting is one that will be promptly applauded by the people of New England. It was proposed the Army engineers should make an immediate survey "for the most effective protection against damage from tidal flooding in New England." Moreover, it was proposed that the Federal Government should exert itself in more ways than one to launch a campaign that would give extraordinary protection against the fury of hurricanes.

The conference apparently forgot (at least, it was not reported), that the Federal Government and all military bases in this area should step up their meteorological efficiency so that all the people of New England would have a fair idea of what might be in store for them when one of those turbulent twisters is spotted off Florida, moving north.

New England suffered two major hurricanes late last summer—and it was threatened with a third. The first and worst big blow struck and caught the whole section by surprise, simply because satisfactory and sufficient warnings were missing.

We hope the Government will see to it that all stations responsible for alerting the people to approaching danger are functioning around the clock at all times and will be in position to send out the alarm to New England well before a hurricane strikes.

In the second hurricane we had in New England, Hurricane Hazel, I bailed water from an upstairs room in my house from 12 o'clock noon until 7 o'clock at night. I would not have been at my house to bail out the water if I had not received the warning that the hurricane was coming.

Mr. ROONEY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from New York.

Mr. ROONEY. May I commend the charming and distinguished gentlewoman from Massachusetts on her remarks. I was on a railroad train during Hurricane Hazel, and I fully appreciate what the gentlewoman is talking about.

Mrs. ROGERS of Massachusetts. Yes. May I say also that at least part of the house I was in would probably have been destroyed if the hurricane has lasted any longer. I know my sufferings were absolutely nothing compared to what happened to other people, but the damage to property was great. I think every one of us in all of the hurricane areas would like to have something done about this matter. I believe the Department of Commerce recommended \$5 million for the Weather Bureau for reports. After the tornado at Worcester I asked for various surveys and investigations but they did not take place.

These hurricanes are horrible things. There was much loss of life in Rhode Island during these hurricanes in New

England, and a great deal of loss of life in Worcester, Mass., after the tornado there. I visited Worcester and saw the damage. I think there was a wonderful spirit in these communities that were damaged. They certainly ought to be helped in every way. The military was very helpful in Massachusetts in sending troops to remove trees that had live wires in them.

Mr. LANE. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. LANE. May I compliment the gentlewoman from Massachusetts on her interest in this subject matter. I know she has been one of the prime movers since last fall when we were visited by those hurricanes in New England. The bill introduced by the gentleman from Connecticut [Mr. PATTERSON] requested an appropriation of \$5 million to help do something in the way of these weather stations, but in the appropriations bill for the Department of Commerce as it was passed today at least the committee compromised that request by adding the sum of \$2,250,000.

Mrs. ROGERS of Massachusetts. That is not nearly enough.

I know all of the New England Members and other Members of the New York delegation have fought very hard for this. I think the other body may put it in, and I will do everything I can to help. I know you and I talked about the damage of the hurricanes. It is appalling to my mind that we do not take care of the civilians and the military, too, because some of them were injured in the hurricanes. It is little enough to do for the people in our country. We try to save them from war and certainly we ought to protect them from so-called acts of God.

THE LATE HONORABLE PETE JARMAN

The SPEAKER pro tempore (Mr. BOLLING). Under previous order of the House, the gentleman from Alabama [Mr. BOYKIN] is recognized for 60 minutes.

Mr. BOYKIN. Mr. Speaker, I have asked for this time so that some of our colleagues, especially our Speaker, the gentleman from Texas [Mr. RAYBURN], and our former Speaker, the gentleman from Massachusetts [Mr. MARTIN], could pay tribute to our wonderful friend, Pete Jarman.

I yield at this time to our colleague, the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN. Mr. Speaker, I join with my good friend, FRANK BOYKIN, and the Alabama delegation, in paying tribute to Pete Jarman, soldier, legislator, and diplomat. He served his country with distinction and great ability.

Following a fine military career he served 12 years as a Member of Congress. He was faithful to the best interests of his district and at the same time zealously fought for the welfare of the country. As a member of the Foreign Affairs Committee, he was conscious

of the need of world cooperation. It was from this service he was aroused to our relationship with other countries. This caused him to accept an appointment as Ambassador to Australia, where he served most creditably.

Pete Jarman was a friendly, likeable man, and his death is the cause of much sorrow. Alabama and the country have suffered a great loss in the passing of this fine American statesman.

Mr. BOYKIN. Thank you, Mr. MARTIN.

Mr. Speaker, I yield to our distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I attended the funeral services for our late friend, and also spoke on the floor of the House later. Pete Jarman was one of the most lovable characters I have ever served with, and one of the ablest men in the House of Representatives. I join with my friend, the gentleman from Alabama, and my friend from Massachusetts [Mr. MARTIN], in expressing our keen regret at his recent passing. It was shortly after that I spoke at greater length, more fully expressing my feelings on the passing of our late friend.

Mr. BOYKIN. I thank the gentleman from Massachusetts.

Mr. Speaker, I yield to our colleague, the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, I, too, would like to join in paying tribute to the fine record of our late friend and colleague, Pete Jarman. It was my privilege to know Pete quite well during his years of service in the Congress. He was possessed of a keen sense of humor and he also took his job most seriously. In saying that, I mean he tried in every way to live up to the high ideals that representation in the Congress of the United States carries not only for the people he represented, but for the position itself. It was my observation that nobody did a better job of work for his constituents and for the country at all times trying to carry on the splendid traditions of the people from whom he came. I have truly missed Pete Jarman in the years since he left the Congress, but during that time we followed his work and came to appreciate and look forward to his visits with us. Now I know that America is poorer because of the passing of this fine American and this splendid Congressman.

Mr. BOYKIN. Thank you, sir.

Mr. Speaker, I yield to the gentleman from Alabama [Mr. ANDREWS].

Mr. ANDREWS of Alabama. Mr. Speaker, I knew Pete Jarman for a quarter of a century. I do not think I ever knew a finer American or a greater Christian gentleman than Pete. When I was first elected to the Congress, I was serving in the Navy at Pearl Harbor.

The first letter that I received after having been nominated in Alabama to represent the Third District was from my friend Pete Jarman, offering to help me in any way he could.

On coming to Washington I found that Pete was sincere, and he was a great help to me as a young Member. Pete served his State and his Nation well. I think

the first office that he held was that of public examiner for the State of Alabama. As examiner of public accounts, he traveled all over the State of Alabama and made friends. To know Pete Jarman was to love him. Later he was elected State Commander of the American Legion. And then he was elected overwhelmingly to the office of secretary of state in Alabama. Following a distinguished service in that office, he was elected to Congress from the Sixth District.

Pete Jarman was sincere and able, and over the period of 10 years that I knew him in Congress, he was an outstanding Member. He was an expert in his chosen field of foreign affairs. He had a keen sense of humor, and it was a genuine pleasure at all times for me to be with him.

Pete Jarman possessed what I think are three necessary characteristics for a good public official to have. First and foremost he was an honest man. He was a man of integrity. Second, he was an able man. Third, he was a courageous man. Many times I have seen him vote against the majority of the Members of his own delegation on certain matters because he had the courage of his convictions.

I have missed Pete and always will miss him. I think one of the finest things that could be said about Pete was his unflinching devotion to his lovely wife, Beryl. At the time I knew him in Congress Beryl served very efficiently in his office. I have never seen a more beautiful relationship between husband and wife than that which existed between him and Beryl. I knew that her loss was great. I hope that she finds some comfort in the knowledge that those of us who knew Pete Jarman, who knew and worked with him, and who loved him, feel some of the loss that must be hers.

Mr. BOYKIN. I thank the gentleman.

I now yield to the gentleman from Alabama [Mr. GRANT].

Mr. GRANT. Mr. Speaker, I think it is wise that in the rush of our everyday life we pause to pay a well-earned tribute to a former Member of this body. Of course I speak of our late beloved departed friend, a former Member of this body, PETE JARMAN, who represented so ably the Sixth District of Alabama for many years.

Prior to my coming to Congress, I had known PETE for many years. I had served with him when he was State department commander of the American Legion, and also when he was examiner of public accounts. Later he was elected as secretary of state of Alabama, and served in that office with credit and distinction to himself and to his friends, until some years later when he was elected to Congress.

It seems that I can see Pete's smiling bright face now coming down this aisle. I do not think Pete hated anybody; he loved his fellow man. He not only loved America, but Pete loved the world and I think he as much as any man worked as hard as a person could work on the Committee on Foreign Affairs; and when we

had Pan-American Day here he always took the leadership in celebrating that great day.

Our colleague from Alabama [Mr. ANDREWS] has referred to Pete's helpmate, Beryl Jarman, who, I think, had much to do with Pete's success in life. She also served as his secretary.

After Pete left Congress he was appointed by President Truman as Ambassador to Australia. He served there with honor and distinction. And, Mr. Speaker, may I say that I know that in his immortal soul, Pete Jarman now sleeping over the banks of the Potomac in Arlington secretly watches our every move here and he watches our movements as representatives of one of the greatest bodies in the world.

Mr. BOYKIN. I thank the gentleman from Alabama [Mr. GRANT] and now yield to the gentleman from Arkansas, [Mr. HAYS]. I would like him to say a few words about our departed friend.

Mr. HAYS of Arkansas. Mr. Speaker, I appreciate very much the generosity of my friend from Alabama in according me the opportunity to join my friends from Alabama in paying tribute to this great American.

It was my privilege during the thirties when I was employed by the Department of Agriculture, to go into the State of Alabama and into the district served by our late respected colleague. I had an opportunity to learn something of the great affection which the people of Alabama had for him.

I later had an opportunity as a member of the Foreign Affairs Committee to appraise his work as a student of foreign-policy problems, and I want to join in tribute to him as a leader in that field. I know that he made great contribution to the cooperation between the Latin-American republics and our own Nation, and I know that he had great influence in this field.

I also wish to join, Mr. Speaker, in the tributes to his wife. I was deeply impressed by the beautiful companionship which they enjoyed, and I am sure the Members have an appreciation of her contribution to his service here.

He was ideally fitted for the post of ambassador to Australia. I have heard from many quarters of the globe statements of appreciation of his work as the representative of our country.

So, Mr. Speaker, I join my colleagues in appreciation of Pete Jarman's outstanding career.

Mr. BOYKIN. I thank the gentleman from Arkansas.

Mr. DEANE. Mr. Speaker, will the gentleman yield?

Mr. BOYKIN. I yield to the gentleman from North Carolina.

Mr. DEANE. Mr. Speaker, I would like to say that the gentleman from Alabama [Mr. BOYKIN] is rendering a distinct service to his State and to the Congress in giving those of us from other States the opportunity to express our deep appreciation of our late friend, Pete Jarman.

I would not say that I speak for North Carolina, but I am sure that every member of the North Carolina delegation joins with the gentleman now giving

84TH CONGRESS
1ST SESSION

H. R. 6367

IN THE SENATE OF THE UNITED STATES

MAY 25 (legislative day, MAY 2), 1955

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Commerce and related agencies for the fiscal year
6 ending June 30, 1956, namely:

1 TITLE I—DEPARTMENT OF COMMERCE

2 OFFICE OF THE SECRETARY

3 Salaries and expenses: For necessary expenses of the
4 Office of the Secretary of Commerce (hereafter in this title
5 referred to as the Secretary), including teletype news serv-
6 ice (not exceeding \$1,000); \$2,172,000.

7 BUREAU OF THE CENSUS

8 Salaries and expenses: For expenses necessary for col-
9 lecting, compiling, and publishing current census statistics
10 provided for by law; and for general administration, includ-
11 ing enumerators at rates to be fixed without regard to the
12 Classification Act of 1949, as amended; \$6,200,000.

13 Census of agriculture: For expenses necessary for taking,
14 compiling, and publishing the 1954 Census of Agriculture, as
15 authorized by law, including personal services by contract
16 or otherwise at rates to be fixed by the Secretary of Com-
17 merce without regard to the Classification Act of 1949, as
18 amended; and additional compensation of Federal employees
19 temporarily detailed for field work under this appropria-
20 tion; \$5,500,000, to remain available until December 31,
21 1956.

22 Censuses of business, manufactures, and mineral indus-
23 tries: For expenses necessary for taking, compiling, and
24 publishing the censuses of business, manufactures, and
25 mineral industries as authorized by law, including personal

1 services by contract or otherwise at rates to be fixed by the
2 Secretary of Commerce without regard to the Classification
3 Act of 1949, as amended; and additional compensation of
4 Federal employees temporarily detailed for field work under
5 this appropriation; \$4,000,000, to remain available until
6 December 31, 1957.

7 CIVIL AERONAUTICS ADMINISTRATION

8 Operation and regulation: For necessary expenses of the
9 Civil Aeronautics Administration in carrying out the pro-
10 visions of the Civil Aeronautics Act of 1938, as amended
11 (49 U. S. C. 401), and other Acts incident to the enforce-
12 ment of safety regulations, maintenance and operation of
13 air-navigation and air-traffic control facilities, and disposal
14 of surplus airports and administering instruments of disposal;
15 planning, research, and administrative expenses for carrying
16 out the provisions of the Federal Airport Act of May 13,
17 1946, as amended, including furnishing advisory services to
18 States and other public and private agencies in connection
19 with the construction or improvement of airports and landing
20 areas; developmental work and service-testing as tends to the
21 creation of improved air-navigation facilities, including
22 landing areas, aircraft, aircraft engines, propellers, appli-
23 ances, personnel, and operation methods, and acquisition
24 of sites for such activities by lease, or grant; purchase of
25 not to exceed sixty-five passenger motor vehicles for replace-

1 ment only; hire of aircraft (not exceeding \$370,000) ; opera-
2 tion and maintenance of not to exceed eighty-five aircraft;
3 fees and mileage of expert and other witnesses; and purchase
4 and repair of skis and snowshoes; \$103,000,000: *Provided*,
5 That there may be credited to this appropriation, funds
6 received from States, counties, municipalities, and other
7 public authorities for expenses incurred in the maintenance
8 and operation of air-navigation facilities.

9 Establishment of air-navigation facilities: For an addi-
10 tional amount for the acquisition, establishment, and im-
11 provement by contract or purchase and hire of air-navigation
12 facilities, including the initial acquisition of necessary sites
13 by lease or grant; the construction and furnishing of quarters
14 and related accommodations for officers and employees of the
15 Civil Aeronautics Administration and the Weather Bureau
16 stationed at remote localities not on foreign soil where such
17 accommodations are not available; the initial flight checking
18 of air-navigation facilities and the transportation by air to
19 and from and within the Territories of the United States
20 of materials and equipment secured under this appropriation;
21 \$18,500,000, to remain available until expended.

22 Establishment of air-navigation facilities (liquidation
23 of contract authorization) : For liquidation of obligations

1 incurred under authority heretofore granted under this head
2 to enter into contracts, \$7,000,000.

3 Grants-in-aid for airports: For project grants author-
4 ized by the Federal Airport Act, as amended, to remain
5 available until June 30, 1958, \$20,000,000, of which (1)
6 \$19,650,000 shall be for projects in the States in accordance
7 with section 6 of said Act, (2) \$100,000 for projects in
8 Puerto Rico, (3) \$50,000 for projects in the Virgin Islands,
9 (4) \$100,000 for projects in the Territory of Hawaii, and
10 (5) \$100,000 for projects in the Territory of Alaska: *Pro-*
11 *vided*, That the unexpended balances of appropriations
12 previously made under the head "Federal-aid airport pro-
13 gram, Federal Airport Act," shall hereafter be merged with
14 and accounted for under this head.

15 Federal-aid airport program, Federal Airport Act
16 (liquidation of contract authorization): For liquidation of
17 obligations incurred under authority heretofore granted
18 under this head to enter into contracts, \$7,500,000.

19 Maintenance and operation, Washington National Air-
20 port: For expenses incident to the care, operation, main-
21 tenance and protection of the Washington National Airport,
22 including purchase of one passenger motor vehicle for
23 replacement only; purchase, cleaning, and repair of uniforms;
24 and arms and ammunition; \$1,350,000.

1 Construction, Washington National Airport: For an addi-
2 tional amount for "Construction, Washington National Air-
3 port", including construction, alterations, and repairs.
4 \$525,000, to remain available until expended.

5 Maintenance and operation of public airports, Territory
6 of Alaska: For expenses necessary for the maintenance,
7 improvement, and operation of public airports in the Terri-
8 tory of Alaska, as authorized by law (48 U. S. C. 485 c-h) ;
9 including arms and ammunition; and purchase, repair, and
10 cleaning of uniforms; \$600,000.

11 Air navigation development: For expenses necessary
12 for planning and developing a national system of aids to
13 air navigation and air traffic control common to military and
14 civil air navigation, including research, experimental investi-
15 gations, purchase and development, by contract or otherwise,
16 of new types of air navigation aids (including plans, specifi-
17 cations, and drawings) ; hire of aircraft; acquisition of neces-
18 sary sites by lease or grant; payments in advance under
19 contracts for research or development work; and not to
20 exceed \$50,000 for administrative expenses; \$1,050,000.

21 CIVIL AERONAUTICS BOARD

22 Salaries and expenses: For necessary expenses of the
23 Civil Aeronautics Board, including contract stenographic
24 reporting services; employment of temporary guards on a
25 contract or fee basis; salaries and traveling expenses of

1 employees detailed to attend courses of training conducted
2 by the Government or industries serving aviation; purchase
3 (not to exceed two for replacement only) of passenger
4 motor vehicles; and hire, operation, maintenance, and re-
5 pair of aircraft; \$3,900,000.

6 Payments to air carriers: For payments to air carriers
7 of so much of the compensation fixed and determined by
8 the Civil Aeronautics Board under section 406 of the Civil
9 Aeronautics Act of 1938, as amended (49 U. S. C. 486),
10 as is payable by the Civil Aeronautics Board pursuant to
11 Reorganization Plan No. 10 of 1953; \$40,000,000, to re-
12 main available until expended.

13 COAST AND GEODETIC SURVEY

14 Salaries and expenses: For expenses necessary to carry
15 out the provisions of the Act of August 6, 1947 (33 U. S. C.
16 883a-883i), including purchase of not to exceed three passen-
17 ger motor vehicles for replacement only; uniforms or allow-
18 ances therefor, as authorized by the Act of September 1,
19 1954 (68 Stat. 1114); lease of sites and the erection of
20 temporary buildings for tide, magnetic or seismological
21 observations; hire of aircraft; operation, maintenance, and
22 repair of an airplane; extra compensation at not to exceed
23 \$15 per month to each member of the crew of a vessel when
24 assigned duties as recorder or instrument observer, and at not
25 to exceed \$1 per day for each station to employees of other

1 Federal agencies while making oceanographic observations
2 or tending seismographs; pay, allowances, gratuities, trans-
3 portation of dependents and household effects, and payment
4 of funeral expenses, as authorized by law, for not to exceed
5 185 commissioned officers on the active list; payments under
6 the Uniform Services Contingency Option Act of 1953; and
7 pay of commissioned officers retired in accordance with law;
8 \$10,200,000: *Provided*, That during the current fiscal year,
9 this appropriation shall be reimbursed for press costs and
10 costs of paper for charts published by the Coast and Geodetic
11 Survey and furnished for the official use of the military
12 departments of the Department of Defense.

13 BUSINESS AND DEFENSE SERVICES ADMINISTRATION

14 Salaries and expenses: For necessary expenses of the
15 Business and Defense Services Administration, including
16 transportation and not to exceed \$15 per diem in lieu of
17 subsistence for persons serving without compensation while
18 away from their homes or regular places of business,
19 \$6,198,000.

20 BUREAU OF FOREIGN COMMERCE

21 Salaries and expenses: For necessary expenses of the
22 Bureau of Foreign Commerce, including the purchase of
23 commercial and trade reports; \$1,800,000.

24 Export control: For expenses necessary for carrying
25 out the provisions of the Export Control Act of 1949, as

1 amended, relating to export controls, including awards of
2 compensation to informers under said Act and as authorized
3 by the Act of August 13, 1953 (22 U. S. C. 401),
4 \$2,500,000, of which not to exceed \$800,000 may be ad-
5 vanced to the Bureau of Customs, Treasury Department,
6 for enforcement of the export control program, and of
7 which not to exceed \$75,000 may be advanced to the
8 appropriation for "Salaries and expenses" under the Office
9 of the Secretary.

10 OFFICE OF BUSINESS ECONOMICS

11 Salaries and expenses: For necessary expenses of the
12 Office of Business Economics, \$975,000.

13 MARITIME ACTIVITIES

14 Ship construction: For payment of construction-differen-
15 tial subsidy and cost of national-defense features incident to
16 construction of two passenger-cargo ships and not to exceed
17 five cargo ships for replacement, and for payment of con-
18 struction-differential subsidy and cost of national-defense
19 features incident to the reconstruction and reconditioning of
20 ships under title V of the Merchant Marine Act, 1936, as
21 amended (46 U. S. C. 1154) ; for reconditioning and better-
22 ment of one ship in the national-defense reserve fleet; for
23 necessary expenses for the acquisition of used cargo ships
24 and tankers pursuant to section 510 of the Merchant Marine
25 Act, 1936, as amended (46 U. S. C. 1160), and the

1 payment of cost of national-defense features incorporated in
2 new tankers constructed to replace such used tankers; and for
3 research, development, and design expenses incident to new
4 and advanced ship design, machinery, and equipment;
5 \$64,700,000, to remain available until expended: *Provided*,
6 That transfers may be made to the appropriation for the
7 current fiscal year for "Salaries and expenses" for adminis-
8 trative and warehouse expenses (not to exceed \$900,000)
9 and for reserve fleet expenses in such amounts as may be
10 required, and any such transfers shall be without regard to
11 the limitations under that appropriation on the amounts
12 available for such expenses: *Provided further*, That appro-
13 priations granted herein shall be available to pay construction-
14 differential subsidy granted by the Federal Maritime Board,
15 pursuant to section 501 (c) of the Merchant Marine Act,
16 1936, as amended, to aid in the reconstruction of any
17 Mariner-class ships sold under the provisions of title VII of
18 the 1936 Act: *Provided further*, That all ship construction,
19 reconditioning and betterment of vessels appropriated for
20 herein, shall be performed in shipyards in the continental
21 United States: *Provided further*, That no funds contained
22 in this Act may be used to commence construction, recon-
23 struction, conversion, reconditioning or betterment of any
24 vessel until the total Federal funds required to complete
25 such work have been appropriated.

1 Operating-differential subsidies: For the payment of
2 obligations incurred for operating-differential subsidies
3 granted on or after January 1, 1947, as authorized by the
4 Merchant Marine Act, 1936, as amended, and in appropria-
5 tions heretofore made to the United States Maritime Com-
6 mission, \$90,000,000, to remain available until expended:
7 *Provided*, That to the extent that the operating-differential
8 subsidy accrual (computed on the basis of parity) is repre-
9 sented on the operator's books by a contingent accounts
10 receivable item against the United States as a partial or
11 complete offset to the recapture accrual, the operator (1)
12 shall be excused from making deposits in the special re-
13 serve fund, and (2) as to the amount of such earnings
14 the deposit of which is so excused shall be entitled to
15 the same tax treatment as though it had been deposited
16 in said special reserve fund. To the extent that any amount
17 paid to the operator by the United States reduces the bal-
18 ance in the operator's contingent receivable account against
19 the United States, such amount shall forthwith be deposited
20 in the special reserve fund of the operator: *Provided further*,
21 That no contracts shall be executed during the current fiscal
22 year by the Federal Maritime Board which will obligate
23 the Government to pay operating differential subsidy on
24 more than eighteen hundred and forty-seven voyages in any
25 one calendar year, including voyages covered by contracts

1 in effect at the beginning of the current fiscal year, of which
2 not less than one hundred and twelve shall be for operators
3 who have not held contracts prior to July 1, 1955.

4 Salaries and expenses: For expenses necessary for
5 carrying into effect the Merchant Marine Act, 1936, and
6 other laws administered by the Federal Maritime Board
7 and the Maritime Administration, \$14,000,000, within
8 limitations as follows:

9 Administrative expenses, including not to exceed
10 \$1,125 for entertainment of officials of other countries when
11 specifically authorized by the Maritime Administrator; and
12 ship structure research, testing and models; \$5,955,000;

13 Maintenance of shipyard facilities and operation of
14 warehouses, \$1,085,000;

15 Reserve fleet expenses, \$6,960,000.

16 Maritime training: For training cadets as officers of the
17 merchant marine at the Merchant Marine Academy at Kings
18 Point, New York, including pay and allowances for person-
19 nel of the United States Maritime Service as authorized by
20 law (46 U. S. C. 1126, 63 Stat. 802, 64 Stat. 794, and 66
21 Stat. 79); not to exceed \$2,500 for contingencies for the
22 Superintendent, United States Merchant Marine Academy,
23 to be expended in his discretion; purchase of one passenger
24 motor vehicle for replacement only; and not to exceed
25 \$30,000 for transfer to applicable appropriations of the Pub-

1 lic Health Service for services rendered the Maritime Admin-
2 istration; \$2,085,000, including uniform and textbook
3 allowances for cadet midshipmen, at an average yearly cost
4 of not to exceed \$200 per cadet: *Provided*, That except as
5 herein provided for uniform and textbook allowances this
6 appropriation shall not be used for compensation or allow-
7 ances for cadets.

8 State marine schools: To reimburse the State of Cali-
9 fornia, \$47,500; the State of Maine, \$47,500; the State of
10 Massachusetts, \$47,500; and the State of New York, \$47,-
11 500; for expenses incurred in the maintenance and support of
12 marine schools in such States as provided in the Act author-
13 izing the establishment of marine schools, and so forth, ap-
14 proved March 4, 1911, as amended (34 U. S. C. 1121-
15 1123) ; \$149,800 for the maintenance and repair of vessels
16 loaned by the United States to the said States for use in
17 connection with such State marine schools; and \$320,200
18 for allowances for uniforms, textbooks, and subsistence of
19 cadets at State marine schools, to be paid in accordance with
20 regulations established pursuant to law (46 U. S. C. 1126
21 (b)) ; \$660,000.

22 Repair of reserve fleet vessels (liquidation of contract
23 authorization) : For the payment of obligations incurred
24 pursuant to authority granted under the "Emergency Ship
25 Repair Act of 1954", \$6,000,000: *Provided*, That advances

1 may be made from this appropriation to "Salaries and ex-
2 penses, maritime activities", for administrative expenses
3 (not to exceed \$150,000), and for reserve fleet expenses
4 (in such amounts as may be required), and such advances
5 shall be in addition to amounts otherwise made available for
6 such expenses.

7 War Shipping Administration liquidation: Not to ex-
8 ceed \$5,900,000 of the unexpended balance of the appro-
9 priation to the Secretary of the Treasury in the Second
10 Supplemental Appropriation Act, 1948, for liquidation of
11 obligations approved by the General Accounting Office as
12 properly incurred against funds of the War Shipping Admin-
13 istration prior to January 1, 1947, is hereby continued avail-
14 able during the current fiscal year, and shall be available
15 for the payment of obligations incurred against the working
16 fund titled: "Working fund, Commerce, War Shipping
17 Administration functions, December 31, 1946".

18 No additional vessels shall be allocated under charter,
19 nor shall any vessel be continued under charter by reason
20 of any extension of chartering authority beyond June 30,
21 1949, unless the charterer shall agree that the Maritime
22 Administration shall have no obligation upon redelivery to
23 accept or pay for consumable stores, bunkers and slop-chest
24 items, except with respect to such minimum amounts of
25 bunkers as the Maritime Administration considers advisable

1 to be retained on the vessel and that prior to such redelivery
2 all consumable stores, slop-chest items and bunkers over
3 and above such minimums shall be removed from the vessel
4 by the charterer at his own expense.

5 No money made available to the Department of Com-
6 merce, for maritime activities, by this or any other Act shall
7 be used in payment for a vessel the title to which is acquired
8 by the Government either by requisition or purchase, or
9 the use of which is taken either by requisition or agreement,
10 or which is insured by the Government and lost while so
11 insured, unless the price or hire to be paid therefor (except
12 in cases where section 802 of the Merchant Marine Act,
13 1936, as amended, is applicable) is computed in accordance
14 with subsection 902 (a) of said Act, as that subsection is
15 interpreted by the General Accounting Office.

16 Notwithstanding any other provision of this Act, the
17 Maritime Administration is authorized to furnish utilities and
18 services and make necessary repairs in connection with any
19 lease, contract, or occupancy involving Government property
20 under control of the Maritime Administration, and payments
21 received by the Maritime Administration for utilities, serv-
22 ices, and repairs so furnished or made shall be credited to
23 the appropriation charged with the cost thereof: *Provided,*
24 That rental payments under any such lease, contract, or
25 occupancy on account of items other than such utilities,

1 services, or repairs shall be covered into the Treasury as
2 miscellaneous receipts.

3 No obligations shall be incurred during the current fis-
4 cal year from the construction fund established by the Mer-
5 chant Marine Act, 1936, or otherwise, in excess of the
6 appropriations and limitations contained in this Act, or in
7 any prior appropriation Act, and all receipts which other-
8 wise would be deposited to the credit of said fund shall be
9 covered into the Treasury as miscellaneous receipts.

10 PATENT OFFICE

11 Salaries and expenses: For necessary expenses of the
12 Patent Office, including services as authorized by section 15
13 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates for
14 individuals not to exceed \$75 per diem (not to exceed
15 \$25,000) ; and defense of suits instituted against the Commis-
16 sioner of Patents; \$14,000,000.

17 BUREAU OF PUBLIC ROADS

18 General administrative expenses: Necessary expenses
19 of administration, including advertising (including adver-
20 tising in the city of Washington for work to be performed
21 in areas adjacent thereto), purchase of seventy-five passenger
22 motor vehicles for replacement only, and the maintenance
23 and repairs of experimental highways, shall be paid, in
24 accordance with law, from appropriations available to the
25 Bureau of Public Roads.

1 Of the total amount available from appropriations of the
2 Bureau of Public Roads for general administrative expenses,
3 pursuant to the provisions of section 21 of the Act of
4 November 9, 1921, as amended (23 U. S. C. 21), \$100,000
5 shall be available for all necessary expenses to enable the
6 President to utilize the services of the Bureau of Public
7 Roads in fulfilling the obligations of the United States under
8 the Convention on the Pan-American Highway Between
9 the United States and Other American Republics (51 Stat.
10 152), cooperation with several governments, members of the
11 Pan American Union, in connection with the survey and
12 construction of the Inter-American Highway, and for per-
13 forming engineering service in Pan-American countries for
14 and upon the request of any agency or governmental corpo-
15 ration of the United States.

16 Federal-aid highways: For carrying out the provisions
17 of the Act of July 11, 1916, as amended and supplemented
18 (23 U. S. C. 1-22, 24-105, 107-117), to remain available
19 until expended, \$600,000,000, which sum is composed of
20 \$343,500,000, the balance of the amount authorized to
21 be appropriated for the fiscal year 1954, \$248,500,000,
22 a part of the amount authorized to be appropriated for the
23 fiscal year 1955, and \$163,336, \$75,915, \$1,695,797, and
24 \$1,401,457, the latter sums being for reimbursement of the
25 sums expended for the repair or reconstruction of highways

1 and bridges which have been damaged or destroyed by floods,
2 hurricanes, or landslides, as provided by section 4 of the Act
3 approved June 8, 1938, section 7 of the Act approved July
4 13, 1943, and section 9 of the Act approved September 7,
5 1950, as amended (23 U. S. C. 13a and 13b) and section
6 7 of the Act approved June 25, 1952, and \$4,663,495 for
7 reimbursement of the sums expended for the design and
8 construction of highway bridges upon and across dams in
9 accordance with the Act of July 29, 1946 (60 Stat. 709).

10 Forest highways: For expenses, not otherwise provided
11 for, necessary for carrying out the provisions of section 23
12 of the Federal Highway Act of November 9, 1921, as
13 amended (23 U. S. C. 23, 23a), to remain available until
14 expended, \$18,500,000, a part of the amount authorized
15 to be appropriated for the fiscal year 1955: *Provided*, That
16 this appropriation shall be available for the rental, pur-
17 chase, construction, or alteration of buildings and sites nec-
18 essary for the storage and repair of equipment and sup-
19 plies used for road construction and maintenance, but the
20 total cost of any such item under this authorization shall
21 not exceed \$15,000.

22 Inter-American Highway: For necessary expenses of
23 continuing the survey and construction of the Inter-Ameri-
24 can Highway, in accordance with the provisions of the Act
25 of December 26, 1941 (55 Stat. 860), as amended by sec-

1 tion 6 of the Federal-Aid Highway Act of 1952 (66 Stat.
2 158), \$8,000,000, to remain available until expended.

3 Public lands highways (liquidation of contract authori-
4 zation) : For payment of obligations incurred pursuant to the
5 contract authorization granted by section 6 of the Federal-
6 Aid Highway Act of 1954 (68 Stat. 73), to remain avail-
7 able until expended, \$2,000,000, which sum is composed of
8 \$1,625,000, the remainder of the amount authorized for fiscal
9 year 1955, and \$375,000, a part of the amount authorized
10 for fiscal year 1956.

11 General provisions—Bureau of Public Roads: None of
12 the money appropriated for the work of the Bureau of
13 Public Roads during the current fiscal year shall be paid
14 to any State on account of any project on which convict
15 labor shall be employed, but this provision shall not apply
16 to labor performed by convicts on parole or probation.

17 During the current fiscal year authorized engineering
18 or other services in connection with the survey, construction,
19 and maintenance, or improvement of roads may be per-
20 formed for other Government agencies, cooperating foreign
21 countries, and State cooperating agencies, and reimbursement
22 for such services (which may include depreciation on engi-
23 neering and road-building equipment used) shall be credited
24 to the appropriation concerned.

1 During the current fiscal year appropriations for the
2 work of the Bureau of Public Roads shall be available for
3 expenses of warehouse maintenance and the procurement,
4 care, and handling of supplies, materials, and equipment for
5 distribution to projects under the supervision of the Bureau
6 of Public Roads, or for sale or distribution to other Govern-
7 ment activities, cooperating foreign countries, and State
8 cooperating agencies, and the cost of such supplies and mate-
9 rials or the value of such equipment (including the cost of
10 transportation and handling) may be reimbursed to current
11 applicable appropriations.

12 Appropriations to the Bureau of Public Roads may be
13 used in emergency for medical supplies and services and
14 other assistance necessary for the immediate relief of em-
15 ployees engaged on hazardous work under that Bureau, and
16 for temporary services as authorized by section 15 of the
17 Act of August 2, 1946 (5 U. S. C. 55a), but at rates for
18 individuals not in excess of \$100 per diem.

19 REDUCTIONS IN CONTRACT AUTHORIZATIONS

20 Bureau of Public Roads: The unobligated balances of
21 contract authorizations provided in section 4 of the Act ap-
22 proved June 8, 1938 (52 Stat. 634), and section 9 of the
23 Act approved September 7, 1950 (64 Stat. 789), as

1 amended by the Act approved October 15, 1951 (65 Stat.
2 421), are hereby canceled.

3 The authorization in section 3 of the Federal-Aid High-
4 way Act of 1952 for forest highways for the fiscal year
5 ending June 30, 1954, is hereby reduced by the sum of
6 \$15,900,000.

7 NATIONAL BUREAU OF STANDARDS

8 Expenses: For expenses necessary in performing the
9 functions authorized by the Act of March 3, 1901, as
10 amended (15 U. S. C. 271-278c), including general admin-
11 istration; operation, maintenance, alteration, and protection
12 of grounds and facilities; and improvement and construction
13 of temporary or special facilities as authorized by section 2
14 of the Act of July 21, 1950 (15 U. S. C. 286) ; \$7,000,000:
15 *Provided*, That during the current fiscal year the maximum
16 base rate of compensation for employees appointed pursuant
17 to the Act of July 21, 1950 (15 U. S. C. 285), shall be
18 equivalent to the entrance rate of GS-12.

19 Plant and equipment: For construction of a pilot elec-
20 tronic data-processing device to be used in the performance
21 of functions authorized by the Act of March 3, 1901, as
22 amended (15 U. S. C. 271-278c) ; repair of mechanical
23 facilities; and expenses incurred, as authorized by section 2
24 of the Act of July 21, 1950 (15 U. S. C. 286), in the

1 construction or improvement of buildings, grounds, and other
2 facilities; \$995,000, to remain available until expended.

3 WEATHER BUREAU

4 Salaries and expenses: For expenses necessary for the
5 Weather Bureau, including maintenance and operation of air-
6 craft; purchase of five passenger motor vehicles for replace-
7 ment only; not to exceed \$25,000 for services as authorized
8 by section 15 of the Act of August 2, 1946 (5 U. S. C.
9 55a) ; and not to exceed \$10,000 for maintenance of a print-
10 ing office in the city of Washington, as authorized by law;
11 \$29,900,000: *Provided*, That during the current fiscal year,
12 the maximum amount authorized under section 3 (a) of the
13 Act of June 2, 1948 (15 U. S. C. 327) , for extra compen-
14 sation to employees of other Government agencies for taking
15 and transmitting meteorological observations, shall be \$5
16 per day; and the maximum base rate of pay authorized under
17 section 3 (b) of said Act, for employees conducting meteor-
18 ological investigations in the Arctic region, shall be \$6,000
19 per annum, except that not more than five of such employees
20 at any one time may receive a base rate of \$8,500 per annum,
21 and such employees may be appointed without regard to the
22 Classification Act of 1949.

23 Establishment of meteorological facilities: For the
24 acquisition, establishment, and relocation of meteorological
25 observing facilities and related equipment, including the

1 alteration and modernization of existing facilities;
2 \$5,000,000, to remain available until June 30, 1959.

3 GENERAL PROVISIONS—DEPARTMENT OF COMMERCE

4 SEC. 102. During the current fiscal year applicable ap-
5 propriations and funds available to the Department of Com-
6 merce shall be available for the activities specified in the
7 Act of October 26, 1949 (5 U. S. C. 596a), to the extent
8 and in the manner prescribed by said Act.

9 SEC. 103. Appropriations in this title available for sal-
10 aries and expenses shall be available for expenses of attend-
11 ance at meetings of organizations concerned with the activi-
12 ties for which the appropriations are made; hire of passen-
13 ger motor vehicles; and services as authorized by section 15
14 of the Act of August 2, 1946 (5 U. S. C. 55a), but, unless
15 otherwise specified, at rates for individuals not to exceed
16 \$50 per diem.

17 TITLE II—THE PANAMA CANAL

18 CANAL ZONE GOVERNMENT

19 Operating expenses: For operating expenses necessary
20 for the Canal Zone Government, including operation of the
21 Postal Service of the Canal Zone; hire of passenger motor
22 vehicles; uniforms or allowances therefor, as authorized by
23 the Act of September 1, 1954 (68 Stat. 1114); expenses
24 incident to conducting hearings on the Isthmus; expenses

1 of attendance at meetings, when authorized by the Governor
2 of the Canal Zone, of organizations concerned with activities
3 pertaining to the Canal Zone Government; expenses of
4 special training of employees of the Canal Zone Govern-
5 ment as authorized by law (63 Stat. 602) ; contingencies
6 of the Governor; residence for the Governor; medical aid
7 and support of the insane and of lepers and aid and support
8 of indigent persons legally within the Canal Zone, includ-
9 ing expenses of their deportation when practicable; and
10 payments of not to exceed \$50 in any one case to persons
11 within the Government service who shall furnish blood for
12 transfusions; \$14,500,000.

13 Capital outlay: For acquisition of land and land under
14 water and acquisition, construction, and replacement of im-
15 provements, facilities, structures, and equipment, as author-
16 ized by law (63 Stat. 600 and 48 U. S. C. 1302) , including
17 the purchase of not to exceed six passenger motor
18 vehicles (for replacement only) ; and expenses incident to
19 the retirement of such assets; \$1,800,000, to remain avail-
20 able until expended.

21 PANAMA CANAL COMPANY

22 The following corporation is hereby authorized to make
23 such expenditures, within the limits of funds and borrowing
24 authority available to it and in accord with law, and to
25 make such contracts and commitments without regard to

1 fiscal year limitations as provided by section 104 of the
2 Government Corporation Control Act, as may be necessary
3 in carrying out the programs set forth in the Budget for
4 the fiscal year 1956 for such corporation, except as here-
5 inafter provided:

6 Not to exceed \$3,589,000 of the funds available
7 to the Panama Canal Company shall be available dur-
8 ing the current fiscal year for general and administrative
9 expenses of the Company, which shall be computed on an
10 accrual basis: *Provided*, That as used herein, the term "gen-
11 eral and administrative expenses" shall not be construed to
12 include expenses otherwise classified in the preceding fiscal
13 year: *Provided further*, That funds available for operating
14 expenses shall be available for the purchase of not to exceed
15 ten passenger motor vehicles (for replacement only), and
16 for uniforms or allowances therefor, as authorized by the
17 Act of September 1, 1954 (68 Stat. 1114).

18 GENERAL PROVISIONS—THE PANAMA CANAL

19 SEC. 202. No part of any appropriation contained in this
20 Act shall be used directly or indirectly, except for tem-
21 porary employment in case of emergency, for the payment
22 of any civilian for services rendered by him on the Canal
23 Zone while occupying a skilled, technical, clerical, admin-
24 istrative, executive, or supervisory position unless such person
25 is a citizen of the United States of America or of the

1 Republic of Panama: *Provided, however,* (1) That, not-
2 withstanding the provision in the Act approved August 11,
3 1939 (53 Stat. 1409) limiting employment in the above-
4 mentioned positions to citizens of the United States from
5 and after the date of approval of said Act, citizens of Panama
6 may be employed in such positions; (2) that at no time shall
7 the number of Panamanian citizens employed in the above-
8 mentioned positions exceed the number of citizens of the
9 United States so employed, if United States citizens are
10 available in continental United States or on the Canal Zone;
11 (3) that nothing in this Act shall prohibit the continued
12 employment of any person who shall have rendered fifteen
13 or more years of faithful and honorable service on the
14 Canal Zone; (4) that in the selection of personnel for skilled,
15 technical, administrative, clerical, supervisory, or executive
16 positions, the controlling factors in filling these positions
17 shall be efficiency, experience, training, and education; (5)
18 that all citizens of Panama and the United States rendering
19 skilled, technical, clerical, administrative, executive, or super-
20 visory service on the Canal Zone under the terms of this
21 Act (a) shall normally be employed not more than forty
22 hours per week, (b) may receive as compensation equal
23 rates of pay based upon rates paid for similar employment
24 in continental United States plus 25 per centum; (6) this
25 entire section shall apply only to persons employed in skilled,

1 technical, clerical, administrative, executive, or supervisory
2 positions on the Canal Zone directly or indirectly by any
3 branch of the United States Government or by any cor-
4 poration or company whose stock is owned wholly or in
5 part by the United States Government: *Provided further*,
6 That the President may suspend from time to time in whole
7 or in part compliance with this section if he should deem
8 such course to be in the public interest.

9 SEC. 203. The Governor of the Canal Zone is authorized
10 to employ services as authorized by section 15 of the Act
11 of August 2, 1946 (5 U. S. C. 55a), in an amount not
12 exceeding \$15,000: *Provided*, That the rates for individuals
13 shall not exceed \$100 per diem.

14 SEC. 204. There are hereafter authorized to be trans-
15 ferred between departments and agencies, with or without
16 exchange of funds, all or so much of the facilities, buildings,
17 structures, improvements, stock and equipment, of their
18 activities located in the Canal Zone, as may be mutually
19 agreed upon by the agencies involved and approved by
20 the Director of the Bureau of the Budget, in the interest
21 of elimination of duplicate activities and related facilities:
22 *Provided*, That with respect to such transfers without ex-
23 change of funds (1) transfers to or from the Panama Canal
24 Company shall be subject to the provisions of section 246
25 of title 2 of the Canal Zone Code, as added by the Act

1 of June 29, 1948 (ch. 706, sec. 2, 62 Stat. 1076) ; and
2 (2) transfers to or from the Canal Zone Government shall
3 be at such appropriate amount as shall be agreed upon
4 between the Canal Zone Government and the agencies
5 concerned and approved by the Director of the Bureau of
6 the Budget, and in the determination thereof due consid-
7 eration shall be given to the cost of the transferred assets,
8 or usable value to the transferee if clearly less than cost,
9 and adequate provision made for depreciation of properties
10 and equipment, obsolete or otherwise unusable inventories,
11 and other reasonably determinable shrinkages in values;
12 and such amount shall be added to or deducted from the
13 investment of the United States in the Canal Zone Govern-
14 ment as applicable.

15 TITLE III—INDEPENDENT AGENCIES

16 ADVISORY COMMITTEE ON WEATHER CONTROL

17 Salaries and expenses: For necessary expenses of the
18 Advisory Committee on Weather Control, established by
19 the Act of August 13, 1953 (67 Stat. 559), including
20 services as authorized by section 15 of the Act of August 2,
21 1946 (5 U. S. C. 55a), \$175,000.

22 SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

23 Not to exceed \$280,000 shall be available for admin-
24 istrative expenses which shall be computed on an accrual
25 basis: *Provided*, That said funds shall be available for serv-

1 ices as authorized by section 15 of the Act of August 2,
2 1946 (5 U. S. C. 55a), at rates for individuals not to
3 exceed \$100 per day.

4 TARIFF COMMISSION

5 Salaries and expenses: For necessary expenses of the
6 Tariff Commission, including subscriptions to newspapers
7 (not to exceed \$200), not to exceed \$17,000 for expenses
8 of travel, and contract stenographic reporting services as
9 authorized by section 15 of the Act of August 2, 1946
10 (5 U. S. C. 55a), \$1,400,000: *Provided*, That no part
11 of this appropriation shall be used to pay the salary of any
12 member of the Tariff Commission who shall hereafter par-
13 ticipate in any proceedings under sections 336, 337, and
14 338 of the Tariff Act of 1930, wherein he or any member
15 of his family has any special, direct, and pecuniary interest,
16 or in which he has acted as attorney or special representative:
17 *Provided further*, That no part of the foregoing appropria-
18 tion shall be used for making any special study, investigation
19 or report at the request of any other agency of the executive
20 branch of the Government unless reimbursement is made
21 for the cost thereof.

22 TITLE IV—GENERAL PROVISIONS

23 SEC. 401. No part of any appropriation contained in
24 this Act, or of the funds available for expenditure by any
25 corporation included in this Act, shall be used to pay the

1 salary or wages of any person who engages in a strike against
2 the Government of the United States or who is a member
3 of an organization of Government employees that asserts
4 the right to strike against the Government of the United
5 States, or who advocates, or is a member of an organization
6 that advocates, the overthrow of the Government of the
7 United States by force or violence: *Provided*, That for the
8 purposes hereof an affidavit shall be considered prima facie
9 evidence that the person making the affidavit has not contrary
10 to the provisions of this section engaged in a strike against the
11 Government of the United States, is not a member of an
12 organization of Government employees that asserts the right
13 to strike against the Government of the United States, or that
14 such person does not advocate, and is not a member of an
15 organization that advocates, the overthrow of the Govern-
16 ment of the United States by force or violence: *Provided*
17 *further*, That any person who engages in a strike against
18 the Government of the United States or who is a member
19 of an organization of Government employees that asserts
20 the right to strike against the Government of the United
21 States, or who advocates, or who is a member of an organiza-
22 tion that advocates, the overthrow of the Government of the
23 United States by force or violence and accepts employment
24 the salary or wages for which are paid from any appropria-
25 tion or fund contained in this Act shall be guilty of a felony

1 and, upon conviction, shall be fined not more than \$1,000
2 or imprisoned for not more than one year, or both: *Pro-*
3 *vided further*, That the above penalty clause shall be in
4 addition to, and not in substitution for, any other provisions
5 of existing law.

6 SEC. 402. No part of any appropriation contained in
7 this Act shall be used for publicity or propaganda purposes
8 not heretofore authorized by the Congress.

9 SEC. 403. No part of any appropriation contained in this
10 Act shall be used to pay any expenses incident to or in con-
11 nection with participation in the International Materials
12 Conference.

13 This Act may be cited as the "Department of Com-
14 merce and Related Agencies Appropriation Act, 1956".

Passed the House of Representatives May 24, 1955.

Attest:

RALPH R. ROBERTS,

Clerk.

•

AN ACT

Making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

MAY 25 (legislative day, MAY 2), 1955

Read twice and referred to the Committee on Appropriations

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 13, 1955
For actions of June 10, 1955
84th-1st, No. 97

CONTENTS

Adjournment.....6	Farm loans.....8	Reclamation.....4,12,14
Appropriations.....2,17,18	Foreign aid.....13	Retirement.....1
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CCC.....5	Monopolies.....15	Surplus commodities.....19
Cotton.....10	Personnel.....1	Water conservation.....9
Electrification.....11	Price supports.....16	Wheat.....16

HIGHLIGHTS. Senate committee reported bill to provide retirement credit for certain State service, and Commerce appropriation bill. Sen. Humphrey criticized CCC administration. House committee ordered reported bills to continue livestock loans and other emergency loans; and the farm credit bill.

SENATE

1. PERSONNEL. The Post Office and Civil Service Committee reported with amendments S. 1041, to provide for the inclusion in the computation of accredited service, under the Civil Service Retirement Act, of certain periods of service rendered States or instrumentalities of States (S. Rept. 507) (p. 6787).
2. COMMERCE DEPARTMENT APPROPRIATION BILL, 1956. The Appropriations Committee (during adjournment) reported with amendments this bill, H. R. 6367 (S. Rept. 512) (p. D535). It was announced that, if possible, the bill would be considered on Tues. (pp. 6784-5, 6800-1, 6802).
3. BANKING. The Banking and Currency Committee reported with amendments S. 1894, to provide for the U. S. participation in the International Finance Corporation (S. Rept. 505) (p. 6786).
4. RECLAMATION. The Interior and Insular Affairs Committee reported without amendment S. 1177, for the relief of desert land entrymen whose entries are dependent upon percolating waters for reclamation (S. Rept. 508) (p. 6787).
Sen. Humphrey urged the elimination of the proposed Echo Park dam from the upper Colorado River project and inserted a Minneapolis Star article, "Colorado River Plan Threatens Scenic Canyons" (pp. 6801-2).
5. CCC. Sen. Humphrey discussed a survey by congressional investigators of operations of the Department, stated there is "evidence being uncovered of flagrant and serious shortcomings in certain administrative activities of the Department of Agriculture," and inserted several newspaper articles on the CCC grain storage operations (pp. 6797-6800).
6. ADJOURNED until Tues., June 14 (p. 6803). Sen. Stennis announced that the calendar and the Commerce appropriation bill will be considered Tues. (pp. 6800-1).

HOUSE

7. SUBMARGINAL LANDS. The Agriculture Committee ordered reported with amendments H. R. 4280, to direct this Department to release conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina (p. D536).

8. FARM LOANS. The Agriculture Committee ordered reported H. R. 4915, to extend for an additional 2 years the period for emergency assistance to farmers and stockmen; and with amendments H. R. 5822, to extend until June 30, 1957 (now June 30, 1955) the period for making loans in emergencies to farmers and stockmen for agricultural purposes (p. D536).

The Agriculture Committee ordered reported with amendments H. R. 5168, to provide for the retirement of Government capital in certain institutions operating under the supervision of FCA and to increase borrower participation in the management and control of the Federal Farm Credit System (p. D537).

BILLS INTRODUCED

9. WATER CONSERVATION. S. 2188, by Sen Knowland (for Sen. Dirksen), to amend the Watershed Protection and Flood Prevention Act to provide that the Federal Government shall pay a portion of the costs of certain works of improvement constructed for purposes of water conservation; to Public Works Committee (p. 6787).

10. COTTON. S. 2196, by Sen. Stennis (for himself and others), to amend section 344 of the Agricultural Adjustment Act of 1938, as amended, relating to cotton acreage allotments; to Agriculture and Forestry Committee (p. 6787). Remarks of author (pp. 6792-3).

11. ELECTRIFICATION. S. 2199, by Sen. Fulbright, authorizing the modification of the general plan for the comprehensive development of the White River Basin to provide for additional hydroelectric power development, for the control of floods; to Public Works Committee (p. 6787).

12. RECLAMATION. S. 2202, by Sen Hayden (for himself and Sen. Goldwater), to authorize the Secretary of the Interior to enter into an additional contract with the Yuma County Water Users' Association with respect to payment of construction charges on the valley division, Yuma reclamation project, Ariz.; to Interior and Insular Affairs Committee (p. 6787).

ITEMS IN APPENDIX

13. FOREIGN AID. Sen. Wiley inserted an article from the LaCrosse, Wis., Register, outlining the statement of a policy endorsed by religious leaders of Christian and Jewish faiths, to share the material abundance of America with foreign countries (pp. A4144-5).

14. RECLAMATION. Sen. Anderson stated his support of "a vigorous reclamation program" and inserted a letter-to-the-editor published in the Denver Post pointing out the importance of irrigation and reclamation in an expanding economy (p. A4146).

Extension of remarks of Rep. Hosmer criticizing the proposed LaBarge project and stating it would increase production of surplus crops (p. A4158).

15. MONOPOLIES. Sen. Humphrey inserted an article from the New York Journal-American, "Fair Trade Laws: A Consumers' Benefit," which defended our free-

Calendar No. 512

84TH CONGRESS
1ST SESSION

H. R. 6367

IN THE SENATE OF THE UNITED STATES

Under authority of the order of the Senate of June 10 (legislative day, June 8),
1955

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HOLLAND to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, viz: On page 25, after line 18, insert the following:

- 1 SEC. 105. Hereafter the position of Budget Officer of the
- 2 Department shall be in GS-17 of the General Schedule es-
- 3 tablished by the Classification Act of 1949 so long as the
- 4 position is held by the present incumbent.

84TH CONGRESS
1ST Session

H. R. 6367

AMENDMENT

Intended to be proposed by Mr. HOLLAND to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

Under authority of the order of the Senate of June 10
(legislative day, June 8), 1955

Ordered to lie on the table and to be printed

H. R. 6367

IN THE SENATE OF THE UNITED STATES

Under authority of the order of the Senate of June 10 (legislative day, June 8),
1955

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AMENDMENT

Intended to be proposed by Mr. HOLLAND to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, viz: On page 25, after line 18, insert the following:

1 SEC. 104. Not to exceed 5 per centum of any appro-
2 priations of the Department of Commerce available for sal-
3 aries and expenses may be transferred to any other such
4 appropriation, but no such appropriation shall be thereby
5 increased by more than 5 per centum: *Provided*, That such
6 transfers shall be in addition to any other transfers authorized
7 by law, but no such transfer shall be used for the creation of
8 new functions within the Department: *Provided further*,
9 That not to exceed \$5,000 of such transfers shall be avail-
10 able for entertainment.

84TH CONGRESS
1ST SESSION

H. R. 6367

AMENDMENT

Intended to be proposed by Mr. HOLLAND to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

JUNE 10 (legislative day, JUNE 8), 1955

Ordered to lie on the table and to be printed

Calendar No. 512

84TH CONGRESS
1ST SESSION

H. R. 6367

IN THE SENATE OF THE UNITED STATES

Under authority of the order of the Senate of June 10 (legislative day, June 8),
1955

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HOLLAND to the bill (H. R. 6367), making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, viz: On page 30, after line 25, insert the following new section:

- 1 SEC. 206. Notwithstanding the provisions of any other
- 2 law the officer of the Army now serving as Governor of the
- 3 Canal Zone shall, effective July 1, 1955, be considered to
- 4 hold the grade of major general for all purposes, without
- 5 regard to any limitations on the number of officers in that
- 6 grade, and while so serving shall receive the pay and allow-
- 7 ances of an officer of that grade and his length of service,

1 and when retired under any provision of law shall be ad-
2 vanced on the retired list to such grade and shall receive
3 the retired or retirement pay at the rate prescribed by law
4 computed on the basis of the basic pay which he would
5 receive if serving on active duty in such grade.

Calendar No. 512

84TH CONGRESS
1ST SESSION

H. R. 6367

AMENDMENT

Intended to be proposed by Mr. HOLLAND to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

Under authority of the order of the Senate of June 10
(legislative day, June 8), 1955

Ordered to lie on the table and to be printed

H. R. 6367

IN THE SENATE OF THE UNITED STATES

Under authority of the order of the Senate of June 10 (legislative day, June 8),
1955

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HOLLAND to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, viz: On page 30, after line 25, insert the following new section:

1 SEC. 205. The Governor of the Canal Zone and the
2 President of the Panama Canal Company, in computing
3 allowances for the cost of travel on home leave for persons
4 who elect at their expense to take other than the lowest
5 first-class travel to the United States, shall take into account
6 as the cost to the United States the actual cost, as computed
7 by the General Accounting Office, of travel by United States
8 owned and operated vessels rather than a reduced fare rate
9 which is available for such employees when traveling on
10 their own account.

84TH CONGRESS
1ST Session

H. R. 6367

AMENDMENT

Intended to be proposed by Mr. HOLLAND to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

Under authority of the order of the Senate of June 10
(legislative day, June 8), 1955

Ordered to lie on the table and to be printed

Calendar No. 512

84TH CONGRESS
1ST SESSION

H. R. 6367

IN THE SENATE OF THE UNITED STATES

Under authority of the order of the Senate of June 10 (legislative day, June 8),
1955

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. HOLLAND to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, viz: On page 17, after line 5, insert the following:

1 Vessel operations revolving fund: Hereafter the vessel
2 operations revolving fund, created by the Third Supple-
3 mental Appropriation Act, 1951, shall be available for
4 necessary expenses incurred, in connection with protection,
5 preservation, maintenance, acquisition, or use of vessels in-
6 volved in mortgage-foreclosure or forfeiture proceedings in-
7 stituted by the United States, including payment of prior
8 claims and liens, expenses of sale, or other charges incident
9 thereto; for necessary expenses incident to the redelivery

1 and lay-up, in the United States, of ships now chartered
2 under agreements which do not call for their return to the
3 United States; for payment of expenses of custody and hus-
4 banding of Government-owned ships other than those within
5 reserve fleets; and for payment of expenses of emergency
6 repairs of ships in reserve fleets: *Provided*, That said fund
7 shall be credited with all receipts from charter of Govern-
8 ment-owned ships under the jurisdiction of the Secretary
9 of Commerce.

84TH CONGRESS
1ST SESSION

H. R. 6367

AMENDMENT

Intended to be proposed by Mr. HOLLAND to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

JUNE 10 (legislative day, JUNE 8), 1955

Ordered to lie on the table and to be printed

DEPARTMENT OF COMMERCE AND RELATED AGENCIES
APPROPRIATION BILL, 1956

JUNE 10 (legislative day, JUNE 8), 1955.—Filed under authority of the order of the Senate of June 10 (legislative day, June 8), 1955, with amendments and ordered to be printed

Mr. HOLLAND, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 6367]

The Committee on Appropriations, to whom was referred the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House.....	\$1, 123, 685, 000
Amount of increase by the Senate.....	190, 932, 300
Amount of bill as reported to Senate.....	1, 314, 617, 300
Amount of appropriations, 1955.....	1, 147, 512, 746
Amount of the regular and supplemental estimates, 1956.....	1, 366, 393, 000

The bill as reported to the Senate:

Over the appropriations for 1955.....	167, 104, 554
Under the estimates for 1956.....	51, 775, 700

Summary of bill

Department or agency	Appropriations, 1955	Estimates, 1956	Recommended in House bill	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—		
					Appropriations, 1955	Estimates, 1956	House bill
Title I—Department of Commerce	\$1,130,632,746	\$1,347,800,000	\$1,105,810,000	\$1,296,322,300	+\$165,689,554	-\$51,477,700	+\$190,512,300
Title II—The Canal Zone	15,433,000	16,898,000	16,300,000	16,600,000	+1,167,000	-298,000	+300,000
Title III—Independent agencies:							
Advisory Committee on Weather Control	120,000	295,000	175,000	295,000	+175,000	-----	+120,000
St. Lawrence Seaway Development Corporation	(251,000)	(280,000)	(280,000)	(280,000)	(+30,000)	-----	-----
Tariff Commission	1,327,000	1,400,000	1,400,000	1,400,000	+73,000	-----	-----
Grand total, titles I, II, and III	1,147,512,746	1,266,393,000	1,123,685,000	1,314,617,300	+167,104,554	-51,775,700	+190,932,300

TITLE I—DEPARTMENT OF COMMERCE

For the Department of Commerce, including the Civil Aeronautics Board, the committee recommends \$1,296,322,300, an increase of \$190,512,300 above the amount allowed by the House. The total, with comparisons of the amount recommended with the appropriations for fiscal year 1955 and with amounts allowed by the House of Representatives is shown in the accompanying summary table, showing the amounts allowed by title of the bill and by agency.

OFFICE OF THE SECRETARY

Salaries and expenses.—The committee recommends \$2,217,300, an increase of \$45,300 over the amount allowed by the House, and over appropriations for comparable activities in fiscal year 1955. The amount recommended will make available for fiscal year 1956 for the immediate office of the Under Secretary for Transportation no more than the amount made available for this activity in fiscal year 1955. The increase will provide funds to cover the full year cost in fiscal year 1956 of positions established in the Office of the Secretary during 1955, and for adding two positions in the Office of Budget and Management for improvement of accounting methods.

Aviation war risk insurance revolving fund.—The language proposed is legislative, and its proper place appears to be in an amendment of the law, section 1306 of the act of June 14, 1951 (49 U. S. C. 716). The remedy should lie in recourse to the legislative committee having jurisdiction over the matter.

BUREAU OF THE CENSUS

The committee recommends \$7,100,000 for fiscal year 1956, an increase of \$900,000 above the current appropriation and above the House bill. Due to censuses taken in calendar year 1954, the need for certain annual surveys did not exist this year. This is reflected in the reduction of appropriation for the salaries and expenses of the Census Bureau from \$6,824,824 for comparable purposes in 1954 to \$6,200,000 in fiscal year 1955. With resumption of these activities required in fiscal year 1956, the committee feels that within a total of \$7,100,000 the Bureau should continue to improve statistics on employment, and should go forward in development of electronic machines adapted to its work which should speed results and reduce costs of the next decennial census.

The increases are distributed by project as follows:

Annual retail trade report.....	\$50, 000
Annual survey of manufactures.....	150, 000
Expanded population survey.....	500, 000
Electronic equipment development.....	200, 000

Census of agriculture.—The committee recommends no amendment. The House allowance of \$5,500,000, \$10,500,000 less than the appropriation for fiscal year 1955, and \$500,000 less than the estimate, will complete this census.

Censuses of business, manufactures, and mineral industries.—The committee recommends no amendment. The House allowance of \$4,000,000 is \$655,000 less than the budget estimate, and \$4,430,000 less than the appropriation for fiscal year 1955.

It is not intended by the committee that this reduction should delay or curtail the planned work on the censuses, but that, if it is demonstrated that additional funds are required in fiscal year 1956 to complete it, a supplemental estimate will be submitted.

Intercensal housing survey.—The committee recommends the appropriation of the amount of the estimate for this purpose, \$500,000. The item was omitted in the House bill.

The obvious great changes which have occurred in the housing supply and pattern of occupancy since 1950 have not been reduced to any form of comprehensive national statistical coverage. Considering the importance of the subject, to one of the Nation's principal industries and to the whole body of the population—and especially, considering the billions in credit for housing construction and ownership for which the United States Treasury stands as guarantor—it is the belief of the committee that the survey at this time is required for the information of the public, the Congress, and the housing industry, and that it should cover all housing in its sample, including Wherry housing for military personnel.

CIVIL AERONAUTICS ADMINISTRATION

Operation and regulation.—The committee recommends \$107,125,000 for "Operation and regulation" for fiscal year 1956. This amount is \$4,125,000 above the House allowance and \$975,000 over the budget estimate. This recommendation is a result of careful consideration of the adverse effect on our growing civil and military aviation that would result from plans to discontinue certain aids to air navigation. Extensive evidence is available that we should operate the available air navigation and traffic control facilities and the new facilities that will be ready during 1956. Our recommendation will permit facilities constructed at Federal expense and needed for the air-ground services that assure safety in aviation to be operated. A lesser amount will result in closing facilities which are important to segments of aviation and this committee has always stressed that safety in aviation should not be jeopardized.

The committee therefore directs that no stations or facilities now operating be discontinued by the Civil Aeronautics Administration, and that there be reported to the appropriate committees of the Senate and the House of Representatives a comprehensive plan for future air traffic control routes, facilities, and stations, which shall in any event be made available to this committee and to the Appropriations Committee of the House of Representatives prior to the submission of the budget for fiscal year 1957.

Establishment of air navigation facilities.—The committee recommends \$16 million, which is \$2,500,000 less than the House allowance and \$7 million less than the budget estimate. It is the view of the committee that the Administration should proceed slowly with installation of new equipment while the question of the type permanently to be used is being determined. The committee feels that this amount is adequate to meet the needs for other new facilities in the Federal airways system during the coming year.

For liquidation of contract authorization previously granted under this head, the committee recommends \$7 million, the amount of the House allowance and the budget estimate.

Grants-in-aid for airports.—The committee recommends \$20,000,000, the amount allowed for this purpose by the House; it is \$9,000,000

more than the budget estimate, and \$150,000 less than the comparable amount made available for fiscal year 1955.

Many communications and statements have been presented to the committee by distinguished citizens, Members of the Senate and of the House of Representatives, urging an increase in this fund up to the maximum authorized to be appropriated in 1 year, which is \$100,000,000. Testimony was presented to the committee as to the criteria employed by the Administration in choosing airports for Federal aid under this authority.

In view of the fact that decision is pending on legislation which would substantially change the pattern of selection and extend eligibility for aid to more of the communities throughout the Nation which have sold or authorized bonds, or by other means built up funds to match Federal grants aggregating more than \$161 million, it is believed a larger appropriation would be of doubtful value to communities seeking the increased grants.

The committee recommends \$7,500,000, the amount in the House bill and in the budget, for liquidation of contract authorization previously granted for the Federal-aid airport program.

Maintenance and operation, Washington National Airport.—The amount recommended by the committee, \$1,415,000, is \$65,000 more than the House allowance and the appropriation for the current fiscal year. The increase will provide \$45,000 for the increased pay at wage-board rates of custodial employees so reclassified in accordance with Public Law 763, 83d Congress (68 Stat. 1105). It will also provide for an increase of \$20,000 for the increased cost of utilities.

The committee asks that a complete investigation and report to the Congress be made by the administration of the monopoly on taxicab transportation from the airport to points in Washington, which appears to be operated to the detriment of public convenience at exorbitant costs to passengers.

Construction, Washington National Airport.—The committee supports the action of the House in recommending the budget estimate, \$525,000. This amount will provide for additional aircraft fuel storage and distribution facilities and for other critically needed improvements, including the addition of a second baggage room at the south end of the terminal.

Maintenance and operation, public airports, Territory of Alaska.—The committee recommends \$750,000, the amount of the budget estimate, and \$150,000 more than the House bill. The recommended amount will provide an increase of \$150,000 above the 1955 appropriation to pay \$15,000 for the added costs for employee fringe benefits enacted by the 83d Congress, and \$135,000 for bulk utilities purchase by the airport for sale to occupants of its facilities from which the net proceeds deposited in the Treasury, will exceed the cost.

Air navigation development.—The committee recommends \$1,600,000 an increase of \$550,000 over the 1955 appropriation and the House bill. Regardless of the outcome of the controversy as to the type of air-navigation aids to be installed on the airways in the near future, the committee believes it important to the safety and the convenience of the public in these days of growing air traffic and air speed that there be increased and active attention to the development of instruments and guiding devices which will provide correspondingly increased speed in air traffic direction and control.

CIVIL AERONAUTICS BOARD

Salaries and expenses.—The committee recommends the amount of the budget estimate, \$4,125,000. This is \$225,000 more than the House bill would provide, and \$348,000 more than the fiscal year 1955 appropriation. The work of the Board in auditing the air carriers—an essential prerequisite to establishment of final rates, which determine the amount of subsidy to be paid—and in settling applications for certification of air routes, has been inexcusably slow.

Undoubtedly there are complex issues which come before the Board for solution in applications for adjustment of rates and for the certification of new routes or improvements to existing routes for the convenience of the public. In granting this full budget request, it is the understanding of the committee that such proceedings will be expedited, and that there will be an increase in frequency and scope of audits of the air carriers.

Payments to air carriers.—The committee recommends \$55 million for the subsidy payments to scheduled United States flag domestic and international airlines. The amount allowed by the House, \$40 million, would not, according to testimony given to this committee, pay the amounts earned and due under the law given the most favorable circumstances. The recommended increase of \$15 million is \$8 million less than the budget estimate; limiting the appropriation to that amount may very well require provision of a supplemental appropriation in the next session.

Testimony before this committee on this appropriation request brought out the fact that the payments due are earned by a formula which is set up under law, whenever the airline provides service on a certificated route; once a rate is set, no recapture is provided, unless the rate is temporary. The only thing other than flight service performance which thereafter affects the amount due from this appropriation is that there is a deduction of the amount which is paid to the carriers by the Post Office Department computed on the volume of mail actually carried. Any recoveries made are based upon the action of the Board in setting final rates below the temporary rates, which action is subject to court review.

The Board chairman advised the committee that recommendations for a recapture provision, as an amendment to basic law, were under active study and might be provided to this Congress. Such an action appears to this committee to be worthy of encouragement.

The Board's estimates for subsidy payments to air carriers have been in a form which lists amounts to be paid to each air carrier grouped in broad geographical classifications. In evaluating subsidy requirements for the future, particularly for international operations, it would be helpful to the committee if the Board were to segregate and identify with greater particularity the routes and services for which subsidy is required, and those which do not receive subsidy support.

COAST AND GEODETIC SURVEY

Salaries and expenses.—The committee recommends \$10,225,000, which is \$25,000 more than the House allowance and the 1955 appropriation. The increase is provided to cover retirement pay of five officers who are being added to the retired list. The committee does not recommend the initiation of a proposed survey of the gulf coast tidelands area.

BUSINESS AND DEFENSE SERVICES ADMINISTRATION

Salaries and expenses.—The recommendation of the committee, \$6,900,000, is \$702,000 more than the House allowance and would provide an increase of \$652,000 over the amount available for comparable activities for the fiscal year 1955. The agency requested \$250,000 to increase the Area Development Division and \$800,000 to provide for construction statistics projects. The committee recommends that there be less than maximum action in these two areas.

BUREAU OF FOREIGN COMMERCE

Salaries and expenses.—The committee recommendation, \$2,200,000, is \$400,000 more than the provision in the House bill and restores the full budget estimate. The Senate last year acted to increase the staff of this Bureau in order to improve its service to American businessmen engaged in foreign trade. The increase provided will simply continue throughout fiscal year 1956 the added staff which was recruited during fiscal year 1955.

Export control.—The committee recommends \$2,800,000, an increase of \$300,000 over the House allowance. Despite the reduction in the controlled list, there are still requirements for enforcement at nearly as many points as in the past. Since much of this enforcement work is done by the Bureau of Customs, Treasury Department, the committee recommends that the full amount of \$800,000 be provided to that agency by the Department of Commerce. The committee also recommends that the amount of \$90,000 be available for transfer to the Office of the Secretary for his administrative expenses in connection with export control activities rather than \$75,000 recommended by the House.

OFFICE OF BUSINESS ECONOMICS

Salaries and expenses.—The committee recommends \$900,000, which is \$75,000 less than the House figure and \$100,000 less than the budget estimate. The committee was told by the Secretary and the Assistant Secretary of Commerce that \$75,000 earmarked by the House to finance a special study of unemployment throughout the country was for an activity which was not contained in the budget and was not recommended for this agency. Funds recommended for the Census Bureau would provide for the proposed purpose.

MARITIME ACTIVITIES

Ship construction.—The committee recommends \$102,800,000, the amount of the estimate and \$38,100,000 more than the House allowance. The restoration will provide for continuation of the program initiated last year to stimulate the American shipbuilding industry and to provide for replacement which will prevent block obsolescence of the American merchant marine. The amount recommended for restoration by this committee includes the building of 1 prototype tanker and 2 prototype cargo ships, planned for future requirements of national defense. On the basis of testimony that the last proviso, which was included by the House, is not consistent with normal practice in shipbuilding, the committee has recommended striking out language which would limit commencement of construction to

vessels for which the entire appropriation of Federal funds required to complete had been provided.

Operating differential subsidies.—The committee recommends \$115,000,000, an increase of \$25,000,000 over the House allowance and the same that has been provided for fiscal year 1955. The payment of subsidies which have been earned is an obligation of the Government to contractors who operate shipping under terms provided by the Merchant Marine Act of 1936 as amended. Although certain sums are withheld from these earnings as a matter of policy—such as amounts in dispute and a proportion of earnings during most recent quarters pending audit which will determine possible recapture—it is the belief of the committee that such obligations after determination should be promptly paid. To fail to provide the funds at this time will simply require Congress to consider a supplemental appropriation later in the fiscal year. Language which has been included in the bill by the House would change a provision which has previously limited the number of voyages on which subsidies might be paid. The committee proposes to reinstate the limitation for contractors covered by these subsidies in the form and the full number recommended in the budget, 2,000 voyages.

Salaries and expenses.—The committee recommends \$14,700,000, which is \$700,000 more than the House allowance and \$400,000 less than the budget estimate. The increase recommended by the committee will provide additional funds, in the amount of \$440,000 more than the allowance of the House, for reserve fleet expenses in order to insure that preservation work is expedited and will also provide for a corresponding increase in the provision for maintenance of shipyard facilities and operation of warehouses.

Maritime training.—The committee recommends \$2,085,000, the amount of the budget estimate and of the House bill, which is principally for the operation of the Merchant Marine Academy at Kings Point, N. Y.

State marine schools.—The committee recommends \$660,000 for this purpose, the amount included in the bill in the House and the amount appropriated for the fiscal year 1955. There was no budget estimate submitted for this activity for fiscal year 1956. It is believed by the committee that officials of the Administration have shown a disregard for the effect of the proposed abrupt discontinuance of this aid without advance notice upon the States, the schools, but particularly upon the students who have enrolled in these maritime academies in the expectation that they would be able to complete their course with Federal aid. Furthermore, the committee believes that these State schools are making a valued contribution to national security by providing trained personnel for our merchant fleet and for the Naval Reserve.

Reserve fleet vessels (liquidation of contract authority).—The committee recommends \$6,000,000 for this purpose, which is the amount of the House allowance and the budget estimate and \$6,000,000 less than the fiscal year 1955 appropriation.

War Shipping Administration liquidation.—The committee recommends no amendment. The House allowed the amount of the estimate, an authority to continue use in 1956 of \$5,900,000 of unexpended balances from 1948 appropriations for settlement of obligations approved by the General Accounting Office.

Vessel operations revolving fund.—Language has been included in the bill as proposed in the budget estimate but which was not approved by the House, permitting the Maritime Administration to pay the cost of protection, preservation, maintenance, acquisition, or use of vessels returned to the ownership of the United States from other nations or by forfeiture or foreclosure.

Inland Waterways Corporation.—The committee recommends authorization for the use of \$14,000 from the funds of this Corporation to carry out the audit and physical inspection required in fiscal year 1956 under the terms of the contract of sale of the assets of the Corporation. The amount recommended is the amount of the budget estimate and was disallowed entirely by the House.

PATENT OFFICE

Salaries and expenses.—The committee recommends \$14 million for this purpose, the amount of the House allowance and \$2 million more than the budget estimate.

Testimony before the committee by the Secretary of Commerce, the Under Secretary, and the Deputy Commissioner of Patents was that this money could be used constructively.

BUREAU OF PUBLIC ROADS

Federal-aid highways.—The committee recommends \$680,000,000, the full amount of the budget estimate, which is an increase of \$80,000,000 over the House bill and \$85,000,000 more than the appropriation for fiscal year 1955. This appropriation is a liquidation of an obligation of the Federal Government to the States. The obligation to the States is incurred pursuant to the contract authority contained in the Federal highway acts; not to provide the appropriation for payment would require a supplemental appropriation at a later date during the fiscal year.

Forest highways.—The committee recommends \$25,000,000, the amount of the budget estimate, for the liquidation of contract authority granted in the Federal Aid Highway Act of 1954. This amount, \$6,500,000 more than the House allowance, will be needed to meet these obligations.

Inter-American Highway.—The committee recommends an appropriation of \$25,250,000 for the continuance of the construction of the Inter-American Highway which is the full amount of the authorized but unappropriated balance.

It is the sense of the committee that the interests of this Nation, our friendship for the neighbor nations, the value of surface access to the Panama Canal, and many other mutual benefits dictate early completion of this highway. Even if the cost of the road is increased by accelerating its construction to completion in 3 years, as requested by the President, it is deemed to be so very much in our interest for the early realization of our objectives, in Latin American peace and in mutual economic benefit so as to greatly outweigh the added cost.

Public lands highways.—The committee recommends \$2 million, the full amount of the budget estimate and the same amount approved in the House. This appropriation is for the liquidation of obligations for construction of highways as they cross land owned by the United States.

Reductions in contract authorizations.—The committee recommends the concurrence of the Senate in the provision included in the bill by the House on the recommendation of the Bureau of the Budget which will cancel the unused authorizations and contract authority for Federal-aid and forest highways under the acts cited in the bill.

NATIONAL BUREAU OF STANDARDS

Expenses.—The committee recommends \$7,450,000, which is \$450,000 more than the amount in the House bill and \$300,000 less than the budget estimate. The testimony disclosed that \$550,000 of the increase of \$1,450,000 recommended by the committee over the fiscal year 1955 appropriations for comparable activities will go for the elimination of overcharges to other agencies. This practice by the Bureau of Standards has been criticized by the Comptroller General. The \$900,000 which is recommended for the increased program in standards, research and testing is needed as a minimum to support an increase in work for improved standards of measurement demanded by technical improvements in industry.

Plant and equipment.—The committee recommends \$995,000, the amount allowed by the House and \$20,000 less than the budget estimate. The committee also recommends language submitted in the estimate which is required by law to be contained in appropriation acts for the construction of facilities.

WEATHER BUREAU

Salaries and expenses.—The committee recommends \$32,000,000, which is \$2,100,000 more than the amount in the House bill and \$4,250,000 more than the budget estimate. With these additional funds, the committee also recommends language which will limit the use of \$4,250,000 to operation, improvement, facilities and research in hurricane, storm, and tornado warning services in the United States. Included in the amount which is provided for this purpose is \$96,000 for the operation of a ship in the gulf coast areas to give earlier and better warnings for these coastal waters which will be of particular benefit to the fishing industries and installations offshore oil drilling and production.

It is the sense of the committee that the extension of agriculture frost-warning service is to be encouraged wherever communities or local associations of agricultural producers provide required supporting funds. In the case of Maricopa County, Ariz., \$10,000 is provided within the amount allowed for the provision of such a service.

Establishment of meteorological facilities.—The committee recommends the amount allowed by the House, \$5,000,000 which is the amount of the estimate. This amount will pay for the cost of modernization of obsolescent weather observation equipment, particularly in the field of storm detection and tracking.

GENERAL PROVISIONS—DEPARTMENT OF COMMERCE

The following provisions have been included in the bill by the committee:

SEC. 104. Not to exceed 5 per centum of any appropriations of the Department of Commerce available for salaries and expenses may be transferred to any other such appropriation, but no such appropriation shall be thereby increased by more

than 5 per centum: *Provided, That such transfers shall be in addition to any other transfers authorized by law, but no such transfer shall be used for the creation of new functions within the Department: Provided further, That not to exceed \$5,000 of such transfers shall be available for entertainment.*

SEC. 105. Hereafter the position of Budget Officer of the Department shall be in GS-17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

The language proposed in section 105 would place the present incumbent of the position of budget officer of the Department in the grade established by law for the previous incumbent.

THE PANAMA CANAL

Canal Zone Government operating expenses.—The committee recommends \$14,800,000, an increase of \$300,000 over the House bill and \$217,000 under the budget estimate. The committee reaffirms its directive of last year that none of the funds available to the Canal Zone Government shall be used for the provision of free kindergartens.

Capital outlay.—The committee recommends \$1,800,000, the House allowance, and a reduction of \$81,000 under the estimate. However, the committee recommends inclusion in the language of provision for replacement of 8 passenger-carrying motor vehicles instead of 6 as recommended in the House bill. These two vehicles are to be used by the Police Department.

Panama Canal Company.—The committee recommends \$3,740,000, to be derived from revenues of the company, for administrative expenses. This amount is \$151,000 more than the House allowance and \$110,000 less than the budget estimate. The amount allowed does not provide for any increase in personnel but will cover the added cost of employee fringe benefits during the fiscal year 1956. The committee directs that no action be taken to abandon the Panama Railroad until the appropriate committees of Congress have investigated the proposal and indicated their approval.

The United States Government has a net unamortized current investment in the Panama Canal of \$367,764,946, which is computed without allowance for the interest on the cost of the construction incurred from the initiation of the project to the opening of the canal to traffic.

Of this total, nondepreciable items amount to \$286 million; although interest is paid on this portion of our investment, there is no depreciation or amortization paid to the Treasury on this nondepreciable cost—which is the value of the digging and the locks themselves, but not the cost of the lock machinery—and toll rates as now set would not produce the funds to make such a return. In short, depreciation is being taken only on an amount which is less than one-fourth of our investment, even after the discounting of interest during construction, which has, like certain other chargeoffs, been taken as its value for national defense.

Sections 205 and 206 are proposed by the committee to be added for the Panama Canal which include provision for the promotion of the Governor, who is also President of the Panama Canal Company, and for regulation of the method of computing travel cost under home leave which requires the full cost to the Government to be taken into account.

ADVISORY COMMITTEE ON WEATHER CONTROL

The committee recommends \$295,000 which will enable this committee to complete its work and report to Congress on the need for control of rainmaking and other related activities. The amount recommended is \$120,000 more than the House allowance in the Mount Washington, New Hampshire, area, and is the full amount of the budget estimate. This amount will permit physical evaluation and test of rainmaking techniques and provide for the accumulation and evaluation of data at a more rapid rate.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The committee recommends the amount of the House allowance and the budget estimate, \$280,000, for the administrative expenses of this Corporation. The committee was advised that due to relocation of some of the links in the seaway, the total amount of the United States commitment for the construction will be substantially reduced.

TARIFF COMMISSION

The committee concurs in the action of the House in providing the full amount of the budget estimate of \$1,400,000 for this important Government Commission.

**COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1955 AND ESTIMATES AND AMOUNTS RECOMMENDED
IN BILL FOR 1956**

TITLE I—DEPARTMENT OF COMMERCE

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in House bill for 1956	Amount recommended by Senate committee	Increase (+) or decrease (–) Senate bill compared with—		
					Appropriations, 1955	Estimates, 1956	House bill
OFFICE OF THE SECRETARY							
Salaries and expenses.....	\$2,050,000	\$2,300,000	\$2,172,000	\$2,217,300	+\$167,300	–\$82,700	+\$45,300
CENSUS BUREAU							
Salaries and expenses.....	6,200,000	7,400,000	6,200,000	7,100,000	+900,000	–300,000	+900,000
Census of agriculture.....	16,000,000	6,000,000	5,500,000	5,500,000	–10,500,000	–500,000	-----
Censuses of business, manufactures, and mineral industries.....	8,430,000	4,655,000	4,000,000	4,000,000	–4,430,000	–655,000	-----
Intercensal housing survey.....	-----	500,000	-----	500,000	+500,000	-----	+500,000
Total, Census Bureau.....	30,630,000	18,555,000	15,700,000	17,100,000	–13,530,000	–1,455,000	+1,400,000
CIVIL AERONAUTICS ADMINISTRATION							
Operation and regulation.....	-----	106,150,000	103,000,000	107,125,000	+107,125,000	+975,000	+4,125,000
Air navigation facilities, establishment of.....	5,000,000	23,000,000	18,500,000	16,000,000	+11,000,000	–7,000,000	–2,500,000
Air navigation facilities, establishment of (liquidation of contract authorization).....	-----	7,000,000	7,000,000	7,000,000	+7,000,000	-----	-----
Grants-in-aid for airports.....	-----	11,000,000	20,000,000	20,000,000	+20,000,000	+9,000,000	-----
Federal-aid airport program (liquidation of contract authorization).....	-----	7,500,000	7,500,000	7,500,000	+7,500,000	-----	-----
Washington National Airport:							
Maintenance and operation.....	1,350,000	1,415,000	1,350,000	1,415,000	+65,000	-----	+65,000
Construction.....	340,000	525,000	525,000	525,000	+185,000	-----	-----
Alaska airports, maintenance and operation.....	600,000	750,000	600,000	750,000	+150,000	-----	+150,000

Air navigation development.....	1, 050, 000	2, 000, 000	1, 050, 000	1, 600, 000	+550, 000	-400, 000	+550, 000
Salaries and expenses.....	1 98, 730, 000				-98, 730, 000		
Technical development and evaluation.....	700, 000				-700, 000		
Federal-aid airport program.....	22, 000, 000				-22, 000, 000		
Claims, Federal Airport Act.....	69, 449				-69, 449		
Land acquisition, additional, Washington Airport.....	16, 297				-16, 297		
Total, Civil Aeronautics Administration.....	129, 855, 746	159, 340, 000	159, 525, 000	161, 915, 000	+32, 059, 254	+2, 575, 000	+2, 390, 000
CIVIL AERONAUTICS BOARD							
Salaries and expenses.....	3, 777, 000	4, 125, 000	3, 900, 000	4, 125, 000	+348, 000		+225, 000
Payments to air carriers.....	2 48, 900, 000	63, 000, 000	40, 000, 000	55, 000, 000	+6, 100, 000	-8, 000, 000	+15, 000, 000
Total, Civil Aeronautics Board.....	52, 677, 000	67, 125, 000	43, 900, 000	59, 125, 000	+6, 448, 000	-8, 000, 000	+15, 225, 000
COAST AND GEODETIC SURVEY							
Salaries and expenses.....	10, 200, 000	10, 400, 000	10, 200, 000	10, 225, 000	+25, 000	-175, 000	+25, 000
BUSINESS AND DEFENSE SERVICES ADMINISTRATION							
Salaries and expenses.....	6, 320, 000	3 7, 300, 000	6, 198, 000	6, 900, 000	+580, 000	-400, 000	+702, 000
BUREAU OF FOREIGN COMMERCE							
Salaries and expenses.....	2, 000, 000	2, 200, 000	1, 800, 000	2, 200, 000	+200, 000		+400, 000
Export control.....	4 3, 481, 000	3, 000, 000	2, 500, 000	2, 800, 000	-681, 000	-200, 000	+300, 000
Total, Bureau of Foreign Commerce.....	5, 481, 000	5, 200, 000	4, 300, 000	5, 000, 000	-481, 000	-200, 000	+700, 000
OFFICE OF BUSINESS ECONOMICS							
Salaries and expenses.....	900, 000	1, 000, 000	975, 000	900, 000		-100, 000	-75, 000

¹ Includes \$650,000 derived by transfer pursuant to Second Supplemental Appropriation Act, 1955.

² Includes \$8,900,000 contained in Second Supplemental Appropriation Act, 1955.

³ Includes \$250,000 contained in H. Doc. No. 126.
⁴ Excludes \$119,000 transferred to other appropriations pursuant to Second Supplemental Appropriation Act, 1955.

Comparative statement of appropriations for 1955 and estimates and amounts recommended in bill for 1956—Continued

TITLE I—DEPARTMENT OF COMMERCE—Continued

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in House bill for 1956	Amount recommended by Senate committee	Increase (+) or decrease (–) Senate bill compared with—	
					Appropriations, 1955	Estimates, 1956
MARITIME ACTIVITIES						
Ship construction.....	\$82,600,000	\$102,800,000	\$64,700,000	\$102,800,000	+\$20,200,000	House bill
Operating differential subsidies.....	115,000,000	115,000,000	90,000,000	115,000,000		+\$38,100,000
Salaries and expenses.....	13,900,000	15,100,000	14,000,000	14,700,000	+\$80,000	+\$25,000,000
Maritime training.....	2,200,000	2,085,000	2,085,000	2,085,000	–115,000	–\$400,000
Repair of reserve-fleet facilities.....	970,000				–970,000	–700,000
Repair of reserve-fleet vessels (liquidation of contract authorization).....	12,000,000	6,000,000	6,000,000	6,000,000	–6,000,000	
State marine schools.....	610,000		660,000	660,000	+\$0,000	+\$660,000
Ship mortgage-foreclosure or forfeiture contingencies.....	2,019,000				–2,019,000	
Vessel operations revolving fund.....		(12)		(12)		
War Shipping Administration liquidation.....	(9)	(9)	(9)	(9)		
Total, maritime activities.....	229,299,000	240,985,000	177,445,000	241,245,000	+\$11,946,000	+\$63,800,000
INLAND WATERWAYS CORPORATION						
Administrative expense limitation.....	(14,000)	(14,000)		(14,000)		(+14,000)
Salaries and expenses.....	11,500,000	12,000,000	14,000,000	14,000,000	+\$2,500,000	+\$2,000,000
BUREAU OF PUBLIC ROADS						
Federal-aid highways (liquidation).....	595,000,000	680,000,000	600,000,000	680,000,000	+\$85,000,000	+\$80,000,000
Forest highways (liquidation).....	18,500,000	25,000,000	18,500,000	25,000,000	+\$6,500,000	+\$6,500,000

Inter-American Highway.....	\$5,750,000	¹³ \$74,980,000	\$8,000,000	25,250,000	+19,500,000	-49,730,000	+17,250,000
Public lands highways (liquidation of contract authorization).....	¹⁶ \$75,000	2,000,000	2,000,000	2,000,000	+1,125,000	-----	-----
Reimbursement to the highway fund, District of Columbia.....	290,000	-----	-----	-----	-290,000	-----	-----
Total, Bureau of Roads.....	620,415,000	781,980,000	628,500,000	732,250,000	+111,835,000	-49,730,000	+103,750,000
NATIONAL BUREAU OF STANDARDS							
Expenses.....	-----	7,750,000	7,000,000	7,450,000	+7,450,000	-300,000	+450,000
Plant and equipment.....	-----	¹⁷ 1,015,000	995,000	995,000	+995,000	-20,000	-----
Operation and administration.....	1,000,000	-----	-----	-----	-1,000,000	-----	-----
Research and testing.....	3,150,000	-----	-----	-----	-3,150,000	-----	-----
Radio propagation and standards.....	2,100,000	-----	-----	-----	-2,100,000	-----	-----
Construction of laboratories (liquidation of contract authorization).....	115,000	-----	-----	-----	-115,000	-----	-----
Total, National Bureau of Standards.....	6,365,000	8,765,000	7,995,000	8,445,000	+2,080,000	-320,000	+450,000
WEATHER BUREAU							
Salaries and expenses.....	¹³ 24,940,000	27,850,000	29,900,000	32,000,000	+7,060,000	+4,150,000	+2,100,000
Establishment of meteorological facilities.....	-----	5,000,000	5,000,000	5,000,000	+5,000,000	-----	-----
Total, Weather Bureau.....	24,940,000	32,850,000	34,900,000	37,000,000	+12,060,000	+4,150,000	+2,100,000
Total, title I.....	1,130,632,746	1,347,800,000	1,105,810,000	1,296,322,300	+165,689,554	-51,477,700	+190,512,300

³ Includes \$50,000,000 contained in Second Supplemental Appropriation Act, 1955.
⁶ Includes \$400,000 contained in Second Supplemental Appropriation Act, 1955.
⁷ Contained in Second Supplemental Appropriation Act, 1955.
⁸ Not to exceed \$6,000,000 of unexpended balance continued available.
⁹ Not to exceed \$5,900,000 of unexpended balance to be continued available.
¹⁰ Excludes \$50,000 transferred to other appropriations pursuant to Second Supplemental Appropriation Act, 1955.
¹¹ Excludes \$481,000 transferred to other appropriations pursuant to Second Supplemental Appropriation Act, 1955.
¹² Language authorizing use of fund for ship mortgage foreclosure, etc.
¹³ Includes \$95,000,000 contained in Second Supplemental Appropriation Act, 1955.
¹⁴ Includes \$3,500,000 contained in Second Supplemental Appropriation Act, 1955.
¹⁵ Includes \$69,230,000 contained in H. Doc. No. 126.
¹⁶ Contained in Second Supplemental Appropriation Act, 1955.
¹⁷ Includes \$765,000 contained in H. Doc. No. 126.
¹⁸ Includes \$190,000 derived by transfer pursuant to Second Supplemental Appropriation Act, 1955.

Comparative statement of appropriations for 1955 and estimates and amounts recommended in bill for 1956—Continued

TITLE II—THE CANAL ZONE

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in House bill for 1956	Amount recommended by Senate committee	Increase (+) or decrease (−) Senate bill compared with—	
					Appropriations, 1955	Estimates, 1956
CANAL ZONE GOVERNMENT						
Operating expenses-----	19 \$14, 018, 000	\$15, 017, 000	\$14, 500, 000	\$14, 800, 000	+\$782, 000	−\$217, 000
Capital outlay-----	1, 415, 000	1, 881, 000	1, 800, 000	1, 800, 000	+385, 000	−81, 000
Total, Canal Zone Government-----	15, 433, 000	16, 898, 000	16, 300, 000	16, 600, 000	+1, 167, 000	−298, 000
PANAMA CANAL COMPANY						
Administrative expense, limitation-----	(3, 583, 000)	(3, 850, 000)	(3, 583, 000)	(3, 740, 000)	(+151, 000)	(−110, 000)
Total, title II-----	15, 433, 000	16, 838, 000	16, 300, 000	16, 600, 000	+1, 167, 000	−298, 000
						(+151, 000)
						+300, 000

¹⁹ Includes \$230,000 contained in Second Supplemental Appropriation Act, 1955.

TITLE III—INDEPENDENT AGENCIES

Advisory Committee on Weather Control.....	\$120,000	\$285,000	\$175,000	\$295,000	+\$175,000	—	+\$120,000
St. Lawrence Seaway Development Corporation (Administrative expense limitation).....	(250,000)	(280,000)	(280,000)	(280,000)	(+30,000)	—	—
Tariff Commission.....	1,327,000	1,400,000	1,400,000	1,400,000	+73,000	—	—
Total, title III.....	1,447,000	1,635,000	1,575,000	1,635,000	+248,000	—	+120,000
Grand total, titles I, II, and III.....	1,147,512,746	1,366,393,000	1,123,685,000	1,314,617,300	+167,104,554	—51,775,700	+190,932,300

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1955 AND THE ESTIMATES FOR 1956

TRUST FUNDS

[Not a charge against revenue]

	Appropriation estimate, 1955	Appropriation estimate, 1956	Increase (+) or decrease (-)
DEPARTMENT OF COMMERCE			
BUREAU OF THE CENSUS			
Special statistical work.....	\$1,000,000	\$900,000	-\$100,000
CIVIL AERONAUTICS ADMINISTRATION			
Gifts and donations.....	48,788	-----	-48,788
BUSINESS AND DEFENSE SERVICES ADMINISTRATION			
Expenses, transcripts of studies, tables, and other records.....	70,000	70,000	-----
Special statistical work.....	10,000	10,000	-----
MARITIME ACTIVITIES			
U. S. Merchant Marine Academy, Kings Point, N. Y.....	5,000	5,000	-----
BUREAU OF PUBLIC ROADS			
Cooperative work, forest highways.....	30,000	-----	-30,000
Equipment supplies, etc., for cooperating countries.....	500,000	500,000	-----
Technical assistance, United States dollars advanced from foreign governments.....	3,390,396	1,000,000	-2,390,396
NATIONAL BUREAU OF STANDARDS			
Gifts and bequests.....	68,400	46,000	-22,400
Special statistical work.....	500	500	-----
WEATHER BUREAU			
Special statistical work.....	1,339	-----	-1,339
Total, Department of Commerce.....	5,124,423	2,531,500	-2,592,923

84TH CONGRESS
1ST SESSION

H. R. 6367

[Report No. 512]

IN THE SENATE OF THE UNITED STATES

MAY 25 (legislative day, MAY 2), 1955

Read twice and referred to the Committee on Appropriations

JUNE 10 (legislative day, JUNE 8), 1955

Reported, under authority of the order of the Senate of June 10 (legislative day, June 8), 1955, by Mr. HOLLAND, with amendments

[Omit the part struck through and insert the part printed in italics]

AN ACT

Making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Commerce and related agencies for the fiscal year
6 ending June 30, 1956, namely:

TITLE I—DEPARTMENT OF COMMERCE

OFFICE OF THE SECRETARY

9 Salaries and expenses: For necessary expenses of the
10 Office of the Secretary of Commerce (hereafter in this title

1 referred to as the Secretary), including teletype news serv-
2 ice (not exceeding \$1,000) ; ~~\$2,172,000~~ \$2,217,300.

3 BUREAU OF THE CENSUS

4 Salaries and expenses: For expenses necessary for col-
5 lecting, compiling, and publishing current census statistics
6 provided for by law; and for general administration, includ-
7 ing enumerators at rates to be fixed without regard to the
8 Classification Act of 1949, as amended; ~~\$6,200,000~~
9 \$7,100,000.

10 Census of agriculture: For expenses necessary for taking,
11 compiling, and publishing the 1954 Census of Agriculture, as
12 authorized by law, including personal services by contract
13 or otherwise at rates to be fixed by the Secretary of Com-
14 merce without regard to the Classification Act of 1949, as
15 amended; and additional compensation of Federal employees
16 temporarily detailed for field work under this appropria-
17 tion; \$5,500,000, to remain available until December 31,
18 1956.

19 Censuses of business, manufactures, and mineral indus-
20 tries: For expenses necessary for taking, compiling, and
21 publishing the censuses of business, manufactures, and
22 mineral industries as authorized by law, including personal
23 services by contract or otherwise at rates to be fixed by the
24 Secretary of Commerce without regard to the Classification
25 Act of 1949, as amended; and additional compensation of

1 Federal employees temporarily detailed for field work under
2 this appropriation; \$4,000,000, to remain available until
3 December 31, 1957.

4 *Intercensal housing survey: For expenses necessary for*
5 *conducting an interim survey of housing, including personal*
6 *services by contract or otherwise at rates to be fixed by the*
7 *Secretary of Commerce without regard to the Classification*
8 *Act of 1949, as amended; and compensation of Federal*
9 *employees temporarily detailed for field work under this*
10 *appropriation; \$500,000.*

11 CIVIL AERONAUTICS ADMINISTRATION

12 Operation and regulation: For necessary expenses of the
13 Civil Aeronautics Administration in carrying out the pro-
14 visions of the Civil Aeronautics Act of 1938, as amended
15 (49 U. S. C. 401), and other Acts incident to the enforce-
16 ment of safety regulations, maintenance and operation of
17 air-navigation and air-traffic control facilities, and disposal
18 of surplus airports and administering instruments of disposal;
19 planning, research, and administrative expenses for carrying
20 out the provisions of the Federal Airport Act of May 13,
21 1946, as amended, including furnishing advisory services to
22 States and other public and private agencies in connection
23 with the construction or improvement of airports and landing
24 areas; developmental work and service-testing as tends to the
25 creation of improved air-navigation facilities, including

1 landing areas, aircraft, aircraft engines, propellers, appli-
2 ances, personnel, and operation methods, and acquisition
3 of sites for such activities by lease, or grant; purchase of
4 not to exceed sixty-five passenger motor vehicles for replace-
5 ment only; hire of aircraft (not exceeding \$370,000) ; opera-
6 tion and maintenance of not to exceed eighty-five aircraft;
7 fees and mileage of expert and other witnesses; and purchase
8 and repair of skis and snowshoes; ~~\$103,000,000~~ \$107,125,-
9 000: *Provided*, That there may be credited to this appro-
10 priation, funds received from States, counties, municipalities,
11 and other public authorities for expenses incurred in the
12 maintenance and operation of air-navigation facilities.

13 Establishment of air-navigation facilities: For an addi-
14 tional amount for the acquisition, establishment, and im-
15 provement by contract or purchase and hire of air-navigation
16 facilities, including the initial acquisition of necessary sites
17 by lease or grant; the construction and furnishing of quarters
18 and related accommodations for officers and employees of the
19 Civil Aeronautics Administration and the Weather Bureau
20 stationed at remote localities not on foreign soil where such
21 accommodations are not available; the initial flight checking
22 of air-navigation facilities and the transportation by air to
23 and from and within the Territories of the United States
24 of materials and equipment secured under this appropriation;

1 ~~\$18,500,000~~ \$16,000,000, to remain available until
2 expended.

3 Establishment of air-navigation facilities (liquidation
4 of contract authorization): For liquidation of obligations
5 incurred under authority heretofore granted under this head
6 to enter into contracts, \$7,000,000.

7 Grants-in-aid for airports: For project grants author-
8 ized by the Federal Airport Act, as amended, to remain
9 available until June 30, 1958, \$20,000,000, of which (1)
10 \$19,650,000 shall be for projects in the States in accordance
11 with section 6 of said Act, (2) \$100,000 for projects in
12 Puerto Rico, (3) \$50,000 for projects in the Virgin Islands,
13 (4) \$100,000 for projects in the Territory of Hawaii, and
14 (5) \$100,000 for projects in the Territory of Alaska: *Pro-*
15 *vided*, That the unexpended balances of appropriations
16 previously made under the head "Federal-aid airport pro-
17 gram, Federal Airport Act," shall hereafter be merged with
18 and accounted for under this head.

19 Federal-aid airport program, Federal Airport Act
20 (liquidation of contract authorization): For liquidation of
21 obligations incurred under authority heretofore granted
22 under this head to enter into contracts, \$7,500,000.

23 Maintenance and operation, Washington National Air-
24 port: For expenses incident to the care, operation, main-

1 tenance and protection of the Washington National Airport,
 2 including purchase of one passenger motor vehicle for
 3 replacement only; purchase, cleaning, and repair of uniforms;
 4 and arms and ammunition; ~~\$1,350,000~~ \$1,415,000.

5 Construction, Washington National Airport: For an addi-
 6 tional amount for "Construction, Washington National Air-
 7 port", including construction, alterations, and repairs.
 8 \$525,000, to remain available until expended.

9 Maintenance and operation of public airports, Territory
 10 of Alaska: For expenses necessary for the maintenance,
 11 improvement, and operation of public airports in the Terri-
 12 tory of Alaska, as authorized by law (48 U. S. C. 485 c-h) ;
 13 including arms and ammunition; and purchase, repair, and
 14 cleaning of uniforms; ~~\$600,000~~ \$750,000.

15 Air navigation development: For expenses necessary
 16 for planning and developing a national system of aids to
 17 air navigation and air traffic control common to military and
 18 civil air navigation, including research, experimental investi-
 19 gations, purchase and development, by contract or otherwise,
 20 of new types of air navigation aids (including plans, specifi-
 21 cations, and drawings) ; hire of aircraft; acquisition of neces-
 22 sary sites by lease or grant; payments in advance under
 23 contracts for research or development work; and not to
 24 exceed ~~\$50,000~~ \$175,000 for administrative expenses;
 25 ~~\$1,050,000~~ \$1,600,000.

CIVIL AERONAUTICS BOARD

Salaries and expenses: For necessary expenses of the Civil Aeronautics Board, including contract stenographic reporting services; employment of temporary guards on a contract or fee basis; salaries and traveling expenses of employees detailed to attend courses of training conducted by the Government or industries serving aviation; purchase (not to exceed two for replacement only) of passenger motor vehicles; and hire, operation, maintenance, and repair of aircraft; ~~\$3,900,000~~ \$4,125,000.

Payments to air carriers: For payments to air carriers of so much of the compensation fixed and determined by the Civil Aeronautics Board under section 406 of the Civil Aeronautics Act of 1938, as amended (49 U. S. C. 486), as is payable by the Civil Aeronautics Board pursuant to Reorganization Plan No. 10 of 1953; ~~\$40,000,000~~ \$55,000,000, to remain available until expended.

COAST AND GEODETIC SURVEY

Salaries and expenses: For expenses necessary to carry out the provisions of the Act of August 6, 1947 (33 U. S. C. 883a-883i), including purchase of not to exceed three passenger motor vehicles for replacement only; uniforms or allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114); lease of sites and the erection of temporary buildings for tide, magnetic or seismological

1 observations; hire of aircraft; operation, maintenance, and
 2 repair of an airplane; extra compensation at not to exceed
 3 \$15 per month to each member of the crew of a vessel when
 4 assigned duties as recorder or instrument observer, and at not
 5 to exceed \$1 per day for each station to employees of other
 6 Federal agencies while making oceanographic observations
 7 or tending seismographs; pay, allowances, gratuities, trans-
 8 portation of dependents and household effects, and payment
 9 of funeral expenses, as authorized by law, for not to exceed
 10 185 commissioned officers on the active list; payments under
 11 the Uniform Services Contingency Option Act of 1953; and
 12 pay of commissioned officers retired in accordance with law;
 13 ~~\$10,200,000~~ \$10,225,000: *Provided*, That during the cur-
 14 rent fiscal year, this appropriation shall be reimbursed for
 15 press costs and costs of paper for charts published by the
 16 Coast and Geodetic Survey and furnished for the official use
 17 of the military departments of the Department of Defense.

18 BUSINESS AND DEFENSE SERVICES ADMINISTRATION

19 Salaries and expenses: For necessary expenses of the
 20 Business and Defense Services Administration, including
 21 transportation and not to exceed \$15 per diem in lieu of
 22 subsistence for persons serving without compensation while
 23 away from their homes or regular places of business,
 24 ~~\$6,198,000~~ \$6,900,000.

BUREAU OF FOREIGN COMMERCE

Salaries and expenses: For necessary expenses of the Bureau of Foreign Commerce, including the purchase of commercial and trade reports; ~~\$1,800,000~~ \$2,200,000.

Export control: For expenses necessary for carrying out the provisions of the Export Control Act of 1949, as amended, relating to export controls, including awards of compensation to informers under said Act and as authorized by the Act of August 13, 1953 (22 U. S. C. 401), ~~\$2,500,000~~ \$2,800,000, of which not to exceed \$800,000 may be advanced to the Bureau of Customs, Treasury Department, for enforcement of the export control program, and of which not to exceed ~~\$75,000~~ \$90,000 may be advanced to the appropriation for "Salaries and expenses" under the Office of the Secretary.

OFFICE OF BUSINESS ECONOMICS

Salaries and expenses: For necessary expenses of the Office of Business Economics, ~~\$975,000~~ \$900,000.

MARITIME ACTIVITIES

Ship construction: For *construction as authorized by sections 701 and 702 of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1191, 1192), of one prototype tanker and two prototype cargo ships; for payment on con-*

1 construction-differential subsidy and cost of national-defense fea-
2 tures incident to construction of two passenger-cargo ships
3 and not to exceed five cargo ships for replacement, and for
4 payment of construction-differential subsidy and cost of
5 national-defense features incident to the reconstruction and
6 reconditioning of ships under title V of the Merchant Marine
7 Act, 1936, as amended (46 U. S. C. 1154) ; for recondition-
8 ing and betterment of one ship in the national-defense reserve
9 fleet; for necessary expenses for the acquisition of used cargo
10 ships and tankers pursuant to section 510 of the Merchant
11 Marine Act, 1936, as amended (46 U. S. C. 1160), and the
12 payment of cost of national-defense features incorporated in
13 new tankers constructed to replace such used tankers; and for
14 research, development, and design expenses incident to new
15 and advanced ship design, machinery, and equipment; ~~\$64,-~~
16 ~~700,000~~ \$102,800,000, to remain available until expended:
17 *Provided*, That transfers may be made to the appropriation for
18 the current fiscal year for "Salaries and expenses" for admin-
19 istrative and warehouse expenses (not to exceed \$900,000)
20 and for reserve fleet expenses in such amounts as may be
21 required, and any such transfers shall be without regard to
22 the limitations under that appropriation on the amounts
23 available for such expenses: *Provided further*, That appro-
24 priations granted herein shall be available to pay construction-
25 differential subsidy granted by the Federal Maritime Board,

1 pursuant to section 501 (c) of the Merchant Marine Act,
2 1936, as amended, to aid in the reconstruction of any
3 Mariner-class ships sold under the provisions of title VII of
4 the 1936 Act: *Provided further*, That all ship construction,
5 reconditioning and betterment of vessels appropriated for
6 herein, shall be performed in shipyards in the continental
7 United States: ~~*Provided further*, That no funds contained~~
8 ~~in this Act may be used to commence construction, recon-~~
9 ~~struction, conversion, reconditioning or betterment of any~~
10 ~~vessel until the total Federal funds required to complete~~
11 ~~such work have been appropriated.~~

12 Operating-differential subsidies: For the payment of
13 obligations incurred for operating-differential subsidies
14 granted on or after January 1, 1947, as authorized by the
15 Merchant Marine Act, 1936, as amended, and in appropriat-
16 ions heretofore made to the United States Maritime Com-
17 mission, ~~\$90,000,000~~ \$115,000,000, to remain available until
18 expended: *Provided*, That to the extent that the operating-
19 differential subsidy accrual (computed on the basis of parity) is
20 represented on the operator's books by a contingent accounts
21 receivable item against the United States as a partial or
22 complete offset to the recapture accrual, the operator (1)
23 shall be excused from making deposits in the special re-
24 serve fund, and (2) as to the amount of such earnings
25 the deposit of which is so excused shall be entitled to

1 the same tax treatment as though it had been deposited
2 in said special reserve fund. To the extent that any amount
3 paid to the operator by the United States reduces the bal-
4 ance in the operator's contingent receivable account against
5 the United States, such amount shall forthwith be deposited
6 in the special reserve fund of the operator: *Provided further,*
7 That no contracts shall be executed during the current fiscal
8 year by the Federal Maritime Board which will obligate
9 the Government to pay operating differential subsidy on
10 more than ~~eighteen hundred and forty-seven~~ *two thousand*
11 voyages in any one calendar year, including voyages covered
12 by contracts in effect at the beginning of the current fiscal
13 year ~~of which not less than one hundred and twelve shall be~~
14 ~~for operators who have not held contracts prior to July~~
15 ~~1, 1955.~~

16 Salaries and expenses: For expenses necessary for
17 carrying into effect the Merchant Marine Act, 1936, and
18 other laws administered by the Federal Maritime Board
19 and the Maritime Administration, ~~\$14,000,000~~ *\$14,700,000*,
20 within limitations as follows:

21 Administrative expenses, including not to exceed
22 \$1,125 for entertainment of officials of other countries when
23 specifically authorized by the Maritime Administrator; and
24 ship structure research, testing and models; \$5,955,000;

1 Maintenance of shipyard facilities and operation of
2 warehouses, ~~\$1,085,000~~ \$1,345,000;

3 Reserve fleet expenses, ~~\$6,960,000~~ \$7,400,000.

4 Maritime training: For training cadets as officers of the
5 merchant marine at the Merchant Marine Academy at Kings
6 Point, New York, including pay and allowances for person-
7 nel of the United States Maritime Service as authorized by
8 law (46 U. S. C. 1126, 63 Stat. 802, 64 Stat. 794, and 66
9 Stat. 79) ; not to exceed \$2,500 for contingencies for the
10 Superintendent, United States Merchant Marine Academy,
11 to be expended in his discretion; purchase of one passenger
12 motor vehicle for replacement only; and not to exceed
13 \$30,000 for transfer to applicable appropriations of the Pub-
14 lic Health Service for services rendered the Maritime Admin-
15 istration; \$2,085,000, including uniform and textbook
16 allowances for cadet midshipmen, at an average yearly cost
17 of not to exceed \$200 per cadet: *Provided*, That except as
18 herein provided for uniform and textbook allowances this
19 appropriation shall not be used for compensation or allow-
20 ances for cadets.

21 State marine schools: To reimburse the State of Cali-
22 fornia, \$47,500; the State of Maine, \$47,500; the State of
23 Massachusetts, \$47,500; and the State of New York, \$47,-

1 500; for expenses incurred in the maintenance and support of
2 marine schools in such States as provided in the Act author-
3 izing the establishment of marine schools, and so forth, ap-
4 proved March 4, 1911, as amended (34 U. S. C. 1121-
5 1123) ; \$149,800 for the maintenance and repair of vessels
6 loaned by the United States to the said States for use in
7 connection with such State marine schools; and \$320,200
8 for allowances for uniforms, textbooks, and subsistence of
9 cadets at State marine schools, to be paid in accordance with
10 regulations established pursuant to law (46 U. S. C. 1126
11 (b)) ; \$660,000.

12 Repair of reserve fleet vessels (liquidation of contract
13 authorization) : For the payment of obligations incurred
14 pursuant to authority granted under the “Emergency Ship
15 Repair Act of 1954”, \$6,000,000: *Provided*, That advances
16 may be made from this appropriation to “Salaries and ex-
17 penses, maritime activities”, for administrative expenses
18 (not to exceed \$150,000), and for reserve fleet expenses
19 (in such amounts as may be required), and such advances
20 shall be in addition to amounts otherwise made available for
21 such expenses.

22 War Shipping Administration liquidation: Not to ex-
23 ceed \$5,900,000 of the unexpended balance of the appro-
24 priation to the Secretary of the Treasury in the Second
25 Supplemental Appropriation Act, 1948, for liquidation of

1 obligations approved by the General Accounting Office as
2 properly incurred against funds of the War Shipping Admin-
3 istration prior to January 1, 1947, is hereby continued avail-
4 able during the current fiscal year, and shall be available
5 for the payment of obligations incurred against the working
6 fund titled: "Working fund, Commerce, War Shipping
7 Administration functions, December 31, 1946".

8 No additional vessels shall be allocated under charter,
9 nor shall any vessel be continued under charter by reason
10 of any extension of chartering authority beyond June 30,
11 1949, unless the charterer shall agree that the Maritime
12 Administration shall have no obligation upon redelivery to
13 accept or pay for consumable stores, bunkers and slop-chest
14 items, except with respect to such minimum amounts of
15 bunkers as the Maritime Administration considers advisable
16 to be retained on the vessel and that prior to such redelivery
17 all consumable stores, slop-chest items and bunkers over
18 and above such minimums shall be removed from the vessel
19 by the charterer at his own expense.

20 No money made available to the Department of Com-
21 merce, for maritime activities, by this or any other Act shall
22 be used in payment for a vessel the title to which is acquired
23 by the Government either by requisition or purchase, or
24 the use of which is taken either by requisition or agreement,
25 or which is insured by the Government and lost while so

1 insured, unless the price or hire to be paid therefor (except
2 in cases where section 802 of the Merchant Marine Act,
3 1936, as amended, is applicable) is computed in accordance
4 with subsection 902 (a) of said Act, as that subsection is
5 interpreted by the General Accounting Office.

6 Notwithstanding any other provision of this Act, the
7 Maritime Administration is authorized to furnish utilities and
8 services and make necessary repairs in connection with any
9 lease, contract, or occupancy involving Government property
10 under control of the Maritime Administration, and payments
11 received by the Maritime Administration for utilities, serv-
12 ices, and repairs so furnished or made shall be credited to
13 the appropriation charged with the cost thereof: *Provided,*
14 That rental payments under any such lease, contract, or
15 occupancy on account of items other than such utilities,
16 services, or repairs shall be covered into the Treasury as
17 miscellaneous receipts.

18 No obligations shall be incurred during the current fis-
19 cal year from the construction fund established by the Mer-
20 chant Marine Act, 1936, or otherwise, in excess of the
21 appropriations and limitations contained in this Act, or in
22 any prior appropriation Act, and all receipts which other-
23 wise would be deposited to the credit of said fund shall be
24 covered into the Treasury as miscellaneous receipts.

1 *Vessel operations revolving fund: Hereafter the vessel*
2 *operations revolving fund, created by the Third Supple-*
3 *mental Appropriation Act, 1951, shall be available for neces-*
4 *sary expenses incurred, in connection with protection, preser-*
5 *vation, maintenance, acquisition, or use of vessels involved*
6 *in mortgage-foreclosure or forfeiture proceedings instituted*
7 *by the United States, including payment of prior claims and*
8 *liens, expenses of sale, or other charges incident thereto; for*
9 *necessary expenses incident to the redelivery and lay-up, in*
10 *the United States, of ships now chartered under agreements*
11 *which do not call for their return to the United States; for*
12 *payment of expenses of custody and husbanding of Govern-*
13 *ment-owned ships other than those within reserve fleets; and*
14 *for payment of expenses of emergency repairs of ships in*
15 *reserve fleets: Provided, That said fund shall be credited with*
16 *all receipts from charter of Government-owned ships under*
17 *the jurisdiction of the Secretary of Commerce.*

18 *Inland Waterways Corporation (administered under the*
19 *supervision and direction of the Secretary of Commerce):*
20 *Not to exceed \$14,000 shall be available for administrative*
21 *expenses to be determined in the manner set forth under the*
22 *title "General expenses" in the Uniform System of Accounts*
23 *for Carriers by Water of the Interstate Commerce Com-*
24 *mission (effective January 1, 1947).*

PATENT OFFICE

Salaries and expenses: For necessary expenses of the Patent Office, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates for individuals not to exceed \$75 per diem (not to exceed \$25,000) ; and defense of suits instituted against the Commissioner of Patents; \$14,000,000.

BUREAU OF PUBLIC ROADS

General administrative expenses: Necessary expenses of administration, including advertising (including advertising in the city of Washington for work to be performed in areas adjacent thereto), purchase of seventy-five passenger motor vehicles for replacement only, and the maintenance and repairs of experimental highways, shall be paid, in accordance with law, from appropriations available to the Bureau of Public Roads.

Of the total amount available from appropriations of the Bureau of Public Roads for general administrative expenses, pursuant to the provisions of section 21 of the Act of November 9, 1921, as amended (23 U. S. C. 21), \$100,000 shall be available for all necessary expenses to enable the President to utilize the services of the Bureau of Public Roads in fulfilling the obligations of the United States under the Convention on the Pan-American Highway Between

1 the United States and Other American Republics (51 Stat.
2 152), cooperation with several governments, members of the
3 Pan American Union, in connection with the survey and
4 construction of the Inter-American Highway, and for per-
5 forming engineering service in Pan-American countries for
6 and upon the request of any agency or governmental corpo-
7 ration of the United States.

8 Federal-aid highways: For carrying out the provisions
9 of the Act of July 11, 1916, as amended and supplemented
10 (23 U. S. C. 1-22, 24-105, 107-117), to remain available
11 until expended, ~~\$600,000,000~~ \$680,000,000, which sum is
12 composed of \$343,500,000, the balance of the amount author-
13 ized to be appropriated for the fiscal year 1954, ~~\$248,500,000~~
14 \$328,500,000, a part of the amount authorized to be appro-
15 priated for the fiscal year 1955, and \$163,336, \$75,915,
16 \$1,695,797, and \$1,401,457, the latter sums being for re-
17 imbursement of the sums expended for the repair or recon-
18 struction of highways and bridges which have been damaged
19 or destroyed by floods, hurricanes, or landslides, as provided
20 by section 4 of the Act approved June 8, 1938, section 7 of
21 the Act approved July 13, 1943, and section 9 of the Act
22 approved September 7, 1950, as amended (23 U. S. C. 13a
23 and 13b) and section 7 of the Act approved June 25, 1952,
24 and \$4,663,495 for reimbursement of the sums expended for

1 the design and construction of highway bridges upon and
2 across dams in accordance with the Act of July 29, 1946
3 (60 Stat. 709) .

4 Forest highways: For expenses, not otherwise provided
5 for, necessary for carrying out the provisions of section 23
6 of the Federal Highway Act of November 9, 1921, as
7 amended (23 U. S. C. 23, 23a) , to remain available until
8 expended, ~~\$18,500,000~~ *\$25,000,000, which sum is composed*
9 *of \$19,000,000, the remainder of the amount authorized to be*
10 *appropriated for the fiscal year 1955, and \$6,000,000, a part*
11 *of the amount authorized to be appropriated for the fiscal year*
12 ~~1955~~ *1956: Provided, That this appropriation shall be*
13 *available for the rental, purchase, construction, or alteration*
14 *of buildings and sites necessary for the storage and repair of*
15 *equipment and supplies used for road construction and main-*
16 *tenance, but the total cost of any such item under this*
17 *authorization shall not exceed \$15,000.*

18 Inter-American Highway: For necessary expenses of
19 continuing the survey and construction of the Inter-Ameri-
20 can Highway, in accordance with the provisions of the Act
21 of December 26, 1941 (55 Stat. 860) , as amended by sec-
22 tion 6 of the Federal-Aid Highway Act of 1952 (66 Stat.
23 158) , ~~\$8,000,000~~ *including purchase of five passenger motor*
24 *vehicles, \$25,250,000, to remain available until expended.*

25 Public lands highways (liquidation of contract authori-

1 zation) : For payment of obligations incurred pursuant to the
2 contract authorization granted by section 6 of the Federal-
3 Aid Highway Act of 1954 (68 Stat. 73), to remain avail-
4 able until expended, \$2,000,000, which sum is composed of
5 \$1,625,000, the remainder of the amount authorized for fiscal
6 year 1955, and \$375,000, a part of the amount authorized
7 for fiscal year 1956.

8 General provisions—Bureau of Public Roads: None of
9 the money appropriated for the work of the Bureau of
10 Public Roads during the current fiscal year shall be paid
11 to any State on account of any project on which convict
12 labor shall be employed, but this provision shall not apply
13 to labor performed by convicts on parole or probation.

14 During the current fiscal year authorized engineering
15 or other services in connection with the survey, construction,
16 and maintenance, or improvement of roads may be per-
17 formed for other Government agencies, cooperating foreign
18 countries, and State cooperating agencies, and reimbursement
19 for such services (which may include depreciation on engi-
20 neering and road-building equipment used) shall be credited
21 to the appropriation concerned.

22 During the current fiscal year appropriations for the
23 work of the Bureau of Public Roads shall be available for
24 expenses of warehouse maintenance and the procurement,
25 care, and handling of supplies, materials, and equipment for

1 distribution to projects under the supervision of the Bureau
2 of Public Roads, or for sale or distribution to other Govern-
3 ment activities, cooperating foreign countries, and State
4 cooperating agencies, and the cost of such supplies and mate-
5 rials or the value of such equipment (including the cost of
6 transportation and handling) may be reimbursed to current
7 applicable appropriations.

8 Appropriations to the Bureau of Public Roads may be
9 used in emergency for medical supplies and services and
10 other assistance necessary for the immediate relief of em-
11 ployees engaged on hazardous work under that Bureau, and
12 for temporary services as authorized by section 15 of the
13 Act of August 2, 1946 (5 U. S. C. 55a), but at rates for
14 individuals not in excess of \$100 per diem.

15 REDUCTIONS IN CONTRACT AUTHORIZATIONS

16 Bureau of Public Roads: The unobligated balances of
17 contract authorizations provided in section 4 of the Act ap-
18 proved June 8, 1938 (52 Stat. 634), and section 9 of the
19 Act approved September 7, 1950 (64 Stat. 789), as
20 amended by the Act approved October 15, 1951 (65 Stat.
21 421), are hereby canceled.

22 The authorization in section 3 of the Federal-Aid High-
23 way Act of 1952 for forest highways for the fiscal year
24 ending June 30, 1954, is hereby reduced by the sum of
25 \$15,900,000.

NATIONAL BUREAU OF STANDARDS

Expenses: For expenses necessary in performing the functions authorized by the Act of March 3, 1901, as amended (15 U. S. C. 271-278c), including general administration; operation, maintenance, alteration, and protection of grounds and facilities; and improvement and construction of temporary or special facilities as authorized by section 2 of the Act of July 21, 1950 (15 U. S. C. 286) ; ~~\$7,000,000~~ \$7,450,000: *Provided*, That during the current fiscal year the maximum base rate of compensation for employees appointed pursuant to the Act of July 21, 1950 (15 U. S. C. 285), shall be equivalent to the entrance rate of GS-12.

Plant and equipment: For construction of a pilot electronic data-processing device to be used in the performance of functions authorized by the Act of March 3, 1901, as amended (15 U. S. C. 271-278c) ; repair of mechanical facilities; and expenses incurred, as authorized by section 2 of the Act of July 21, 1950 (15 U. S. C. 286), in the construction or improvement of buildings, grounds, and other facilities; *and construction of an electronic calibration center at a cost not to exceed \$765,000; \$995,000, to remain available until expended.*

WEATHER BUREAU

Salaries and expenses: For expenses necessary for the Weather Bureau, including maintenance and operation of air-

1 craft; purchase of five passenger motor vehicles for replace-
2 ment only; not to exceed \$25,000 for services as authorized
3 by section 15 of the Act of August 2, 1946 (5 U. S. C.
4 55a) ; and not to exceed \$10,000 for maintenance of a print-
5 ing office in the city of Washington, as authorized by law;
6 ~~\$29,900,000~~ *\$32,000,000 of which \$4,250,000 shall be*
7 *available only for the improvement and operation of hur-*
8 *ricane, severe storm, and tornado warning services in the*
9 *United States, including research related thereto, and con-*
10 *struction of necessary facilities: Provided, That during the*
11 current fiscal year, the maximum amount authorized under sec-
12 tion 3 (a) of the Act of June 2, 1948 (15 U. S. C. 327) , for
13 extra compensation to employees of other Government agencies
14 for taking and transmitting meteorological observations, shall be
15 \$5 per day ; and the maximum base rate of pay authorized under
16 section 3 (b) of said Act, for employees conducting meteor-
17 ological investigations in the Arctic region, shall be \$6,000
18 per annum, except that not more than five of such employees
19 at any one time may receive a base rate of \$8,500 per annum,
20 and such employees may be appointed without regard to the
21 Classification Act of 1949.

22 Establishment of meteorological facilities: For the
23 acquisition, establishment, and relocation of meteorological
24 observing facilities and related equipment, including the

1 alteration and modernization of existing facilities;
2 \$5,000,000, to remain available until June 30, 1959.

3 GENERAL PROVISIONS—DEPARTMENT OF COMMERCE

4 SEC. 102. During the current fiscal year applicable ap-
5 propriations and funds available to the Department of Com-
6 merce shall be available for the activities specified in the
7 Act of October 26, 1949 (5 U. S. C. 596a), to the extent
8 and in the manner prescribed by said Act.

9 SEC. 103. Appropriations in this title available for sal-
10 aries and expenses shall be available for expenses of attend-
11 ance at meetings of organizations concerned with the activi-
12 ties for which the appropriations are made; hire of passen-
13 ger motor vehicles; and services as authorized by section 15
14 of the Act of August 2, 1946 (5 U. S. C. 55a), but, unless
15 otherwise specified, at rates for individuals not to exceed
16 \$50 per diem.

17 SEC. 104. *Not to exceed 5 per centum of any appropria-*
18 *tions of the Department of Commerce available for salaries*
19 *and expenses may be transferred to any other such appropria-*
20 *tion, but no such appropriation shall be thereby increased by*
21 *more than 5 per centum: Provided, That such transfers shall*
22 *be in addition to any other transfers authorized by law, but*
23 *no such transfer shall be used for the creation of new func-*
24 *tions within the Department: Provided further, That not*

1 to exceed \$5,000 of such transfers shall be available for
2 entertainment.

3 *SEC. 105. Hereafter the position of Budget Officer of*
4 *the Department shall be in GS-17 of the General Schedule*
5 *established by the Classification Act of 1949 so long as the*
6 *position is held by the present incumbent.*

7 TITLE II—THE PANAMA CANAL

8 CANAL ZONE GOVERNMENT

9 Operating expenses: For operating expenses necessary
10 for the Canal Zone Government, including operation of the
11 Postal Service of the Canal Zone; hire of passenger motor
12 vehicles; uniforms or allowances therefor, as authorized by
13 the Act of September 1, 1954 (68 Stat. 1114); expenses
14 incident to conducting hearings on the Isthmus; expenses
15 of attendance at meetings, when authorized by the Governor
16 of the Canal Zone, of organizations concerned with activities
17 pertaining to the Canal Zone Government; expenses of
18 special training of employees of the Canal Zone Govern-
19 ment as authorized by law (63 Stat. 602); contingencies
20 of the Governor; residence for the Governor; medical aid
21 and support of the insane and of lepers and aid and support
22 of indigent persons legally within the Canal Zone, includ-
23 ing expenses of their deportation when practicable; and
24 payments of not to exceed \$50 in any one case to persons

1 within the Government service who shall furnish blood for
2 transfusions; ~~\$14,500,000~~ \$14,800,000.

3 Capital outlay: For acquisition of land and land under
4 water and acquisition, construction, and replacement of im-
5 provements, facilities, structures, and equipment, as author-
6 ized by law (63 Stat. 600 and 48 U. S. C. 1302), including
7 the purchase of not to exceed ~~six~~ *eight* passenger motor
8 vehicles (for replacement only); and expenses incident to
9 the retirement of such assets; \$1,800,000, to remain avail-
10 able until expended.

11 PANAMA CANAL COMPANY

12 The following corporation is hereby authorized to make
13 such expenditures, within the limits of funds and borrowing
14 authority available to it and in accord with law, and to
15 make such contracts and commitments without regard to
16 fiscal year limitations as provided by section 104 of the
17 Government Corporation Control Act, as may be necessary
18 in carrying out the programs set forth in the Budget for
19 the fiscal year 1956 for such corporation, except as here-
20 inafter provided:

21 Not to exceed ~~\$3,589,000~~ \$3,740,000 of the funds
22 available to the Panama Canal Company shall be available
23 during the current fiscal year for general and administrative
24 expenses of the Company, which shall be computed on an

1 accrual basis: *Provided*, That as used herein, the term “gen-
2 eral and administrative expenses” shall not be construed to
3 include expenses otherwise classified in the preceding fiscal
4 year: *Provided further*, That funds available for operating
5 expenses shall be available for the purchase of not to exceed
6 ten passenger motor vehicles (for replacement only), and
7 for uniforms or allowances therefor, as authorized by the
8 Act of September 1, 1954 (68 Stat. 1114).

9 GENERAL PROVISIONS—THE PANAMA CANAL

10 SEC. 202. No part of any appropriation contained in this
11 Act shall be used directly or indirectly, except for tem-
12 porary employment in case of emergency, for the payment
13 of any civilian for services rendered by him on the Canal
14 Zone while occupying a skilled, technical, clerical, admin-
15 istrative, executive, or supervisory position unless such person
16 is a citizen of the United States of America or of the
17 Republic of Panama: *Provided, however*, (1) That, not-
18 withstanding the provision in the Act approved August 11,
19 1939 (53 Stat. 1409) limiting employment in the above-
20 mentioned positions to citizens of the United States from
21 and after the date of approval of said Act, citizens of Panama
22 may be employed in such positions; (2) that at no time shall
23 the number of Panamanian citizens employed in the above-
24 mentioned positions exceed the number of citizens of the
25 United States so employed, if United States citizens are

1 available in continental United States or on the Canal Zone;
2 (3) that nothing in this Act shall prohibit the continued
3 employment of any person who shall have rendered fifteen
4 or more years of faithful and honorable service on the
5 Canal Zone; (4) that in the selection of personnel for skilled,
6 technical, administrative, clerical, supervisory, or executive
7 positions, the controlling factors in filling these positions
8 shall be efficiency, experience, training, and education; (5)
9 that all citizens of Panama and the United States rendering
10 skilled, technical, clerical, administrative, executive, or super-
11 visory service on the Canal Zone under the terms of this
12 Act (a) shall normally be employed not more than forty
13 hours per week, (b) may receive as compensation equal
14 rates of pay based upon rates paid for similar employment
15 in continental United States plus 25 per centum; (6) this
16 entire section shall apply only to persons employed in skilled,
17 technical, clerical, administrative, executive, or supervisory
18 positions on the Canal Zone directly or indirectly by any
19 branch of the United States Government or by any cor-
20 poration or company whose stock is owned wholly or in
21 part by the United States Government: *Provided further,*
22 That the President may suspend from time to time in whole
23 or in part compliance with this section if he should deem
24 such course to be in the public interest.

25 SEC. 203. The Governor of the Canal Zone is authorized

1 to employ services as authorized by section 15 of the Act
2 of August 2, 1946 (5 U. S. C. 55a), in an amount not
3 exceeding \$15,000: *Provided*, That the rates for individuals
4 shall not exceed \$100 per diem.

5 SEC. 204. There are hereafter authorized to be trans-
6 ferred between departments and agencies, with or without
7 exchange of funds, all or so much of the facilities, buildings,
8 structures, improvements, stock and equipment, of their
9 activities located in the Canal Zone, as may be mutually
10 agreed upon by the agencies involved and approved by
11 the Director of the Bureau of the Budget, in the interest
12 of elimination of duplicate activities and related facilities:
13 *Provided*, That with respect to such transfers without ex-
14 change of funds (1) transfers to or from the Panama Canal
15 Company shall be subject to the provisions of section 246
16 of title 2 of the Canal Zone Code, as added by the Act
17 of June 29, 1948 (ch. 706, sec. 2, 62 Stat. 1076); and
18 (2) transfers to or from the Canal Zone Government shall
19 be at such appropriate amount as shall be agreed upon
20 between the Canal Zone Government and the agencies
21 concerned and approved by the Director of the Bureau of
22 the Budget, and in the determination thereof due consid-
23 eration shall be given to the cost of the transferred assets,
24 or usable value to the transferee if clearly less than cost,
25 and adequate provision made for depreciation of properties

1 and equipment, obsolete or otherwise unusable inventories,
2 and other reasonably determinable shrinkages in values;
3 and such amount shall be added to or deducted from the
4 investment of the United States in the Canal Zone Govern-
5 ment as applicable.

6 *SEC. 205. The Governor of the Canal Zone and the*
7 *President of the Panama Canal Company, in computing al-*
8 *lowances for the cost of travel on home leave for persons who*
9 *elect at their expense to take other than the lowest first-class*
10 *travel to the United States, shall take into account as the cost*
11 *to the United States the actual cost, as computed by the*
12 *General Accounting Office, of travel by United States owned*
13 *and operated vessels rather than a reduced fare rate which*
14 *is available for such employees when traveling on their own*
15 *account.*

16 *SEC. 206. Notwithstanding the provisions of any other*
17 *law the officer of the Army now serving as Governor of the*
18 *Canal Zone shall, effective July 1, 1955, be considered to hold*
19 *the grade of major general for all purposes, without regard*
20 *to any limitations on the number of officers in that grade, and*
21 *while so serving shall receive the pay and allowances of an*
22 *officer of that grade and his length of service, and when re-*
23 *tired under any provision of law shall be advanced on the*
24 *retired list to such grade and shall receive the retired or retire-*
25 *ment pay at the rate prescribed by law computed on the basis*

1 of the basic pay which he would receive if serving on active
2 duty in such grade.

3 TITLE III—INDEPENDENT AGENCIES

4 ADVISORY COMMITTEE ON WEATHER CONTROL

5 Salaries and expenses: For necessary expenses of the
6 Advisory Committee on Weather Control, established by
7 the Act of August 13, 1953 (67 Stat. 559), including
8 services as authorized by section 15 of the Act of August 2,
9 1946 (5 U. S. C. 55a), ~~\$175,000~~ \$295,000.

10 SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

11 Not to exceed \$280,000 shall be available for admin-
12 istrative expenses which shall be computed on an accrual
13 basis: *Provided*, That said funds shall be available for serv-
14 ices as authorized by section 15 of the Act of August 2,
15 1946 (5 U. S. C. 55a), at rates for individuals not to
16 exceed \$100 per day.

17 TARIFF COMMISSION

18 Salaries and expenses: For necessary expenses of the
19 Tariff Commission, including subscriptions to newspapers
20 (not to exceed \$200), not to exceed \$17,000 for expenses
21 of travel, and contract stenographic reporting services as
22 authorized by section 15 of the Act of August 2, 1946
23 (5 U. S. C. 55a), \$1,400,000: *Provided*, That no part
24 of this appropriation shall be used to pay the salary of any
25 member of the Tariff Commission who shall hereafter par-

1 ticipate in any proceedings under sections 336, 337, and
2 338 of the Tariff Act of 1930, wherein he or any member
3 of his family has any special, direct, and pecuniary interest,
4 or in which he has acted as attorney or special representative:
5 *Provided further*, That no part of the foregoing appropria-
6 tion shall be used for making any special study, investigation
7 or report at the request of any other agency of the executive
8 branch of the Government unless reimbursement is made
9 for the cost thereof.

10 TITLE IV—GENERAL PROVISIONS

11 SEC. 401. No part of any appropriation contained in
12 this Act, or of the funds available for expenditure by any
13 corporation included in this Act, shall be used to pay the
14 salary or wages of any person who engages in a strike against
15 the Government of the United States or who is a member
16 of an organization of Government employees that asserts
17 the right to strike against the Government of the United
18 States, or who advocates, or is a member of an organization
19 that advocates, the overthrow of the Government of the
20 United States by force or violence: *Provided*, That for the
21 purposes hereof an affidavit shall be considered *prima facie*
22 evidence that the person making the affidavit has not contrary
23 to the provisions of this section engaged in a strike against the
24 Government of the United States, is not a member of an
25 organization of Government employees that asserts the right

1 to strike against the Government of the United States, or that
2 such person does not advocate, and is not a member of an
3 organization that advocates, the overthrow of the Govern-
4 ment of the United States by force or violence: *Provided*
5 *further*, That any person who engages in a strike against
6 the Government of the United States or who is a member
7 of an organization of Government employees that asserts
8 the right to strike against the Government of the United
9 States, or who advocates, or who is a member of an organiza-
10 tion that advocates, the overthrow of the Government of the
11 United States by force or violence and accepts employment
12 the salary or wages for which are paid from any appropria-
13 tion or fund contained in this Act shall be guilty of a felony
14 and, upon conviction, shall be fined not more than \$1,000
15 or imprisoned for not more than one year, or both: *Pro-*
16 *vided further*, That the above penalty clause shall be in
17 addition to, and not in substitution for, any other provisions
18 of existing law.

19 SEC. 402. No part of any appropriation contained in
20 this Act shall be used for publicity or propaganda purposes
21 not heretofore authorized by the Congress.

22 SEC. 403. No part of any appropriation contained in this
23 Act shall be used to pay any expenses incident to or in con-
24 nection with participation in the International Materials
25 Conference.

1 This Act may be cited as the “Department of Com-
2 merce and Related Agencies Appropriation Act, 1956”.

Passed the House of Representatives May 24, 1955.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

Making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

MAY 25 (legislative day, MAY 2), 1955

Read twice and referred to the Committee on
Appropriations

JUNE 10 (legislative day, JUNE 8), 1955

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 15, 1955
For actions of June 14, 1955
84th-1st, No. 99

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HIGHLIGHTS: See page 5.

HOUSE

1. TRADE AGREEMENTS. Agreed to the conference report on H. R. 1, to extend the President's authority to enter into trade agreements (pp. 6941-58). The conferees agreed to a threeyear extension of the act with modifications.
2. TOBACCO. Both Houses agreed to a resolution requesting that the enrolled S. J. Res. 60, which would authorize a study of burley tobacco marketing controls, be returned to the Senate, and changing the due date of the USDA report from July 1 to November 1, 1955 (p. 6958). The amended measure will now be sent to the President.
3. FORESTS. The Rules Committee reported a resolution, which would call for consideration of H. R. 5891, to amend the mining laws to provide for multiple use of the surface of the same tracts of public lands (p. 6978).
The Interior and Insular Affairs Committee reported without amendment (H. Rept. 786) H. R. 4664, which would authorize the Secretary of Interior to acquire certain rights-of-way and timber access roads (p. 6990).
4. APPROPRIATIONS. The Rules Committee reported a resolution waiving points of order against H. R. 6766, making appropriations for certain public works projects (pp. 6990-1).

SENATE

5. COMMERCE AND RELATED AGENCIES APPROPRIATION BILL, 1956. Began debate on this bill, H. R. 6367 (pp. 6898-6923, 6927-30).
The Senate committee increased forest highways to the budget estimate of \$25,000,000, which was \$6,500,000 more than the House figure. The committee made no change in the House figure of \$5,500,000 for completion of the census of agriculture, which was \$500,000 less than the budget estimate.

The committee report includes the following statement: "It is the sense of the committee that the extension of agriculture frost-warning service is to be encouraged wherever communities or local associations of agricultural producers provide required supporting funds. In the case of Maricopa County, Ariz., \$10,000 is provided within the amount allowed for the provision of such a service."

6. DEFENSE DEPARTMENT APPROPRIATION BILL, 1956. The Appropriations Committee reported with amendments this bill, H. R. 6042 (S. Rept. 545) (p. 6864).
7. GENERAL GOVERNMENT MATTERS APPROPRIATION BILL, 1956. The Appropriation subcommittee ordered favorably reported to the full committee with amendments this bill, H. R. 6499 (p. D548-9).
8. ORGANIZATION; PROPERTY MANAGEMENT. Received from the Hoover Commission a report on real property management; to Government Operations Committee (p. 6860).
9. WATER COMPACT. The Public Works Committee reported without amendment H. R. 208, providing for a water compact between Ark. and Okla. (S. Rept. 539) (p. 6864).
10. ROADS. The Public Works Committee reported with amendment H. R. 5923, to authorize certain sums to be appropriated for the completion of the construction of the Inter-American Highway (S. Rept. 542) (p. 6864).
11. WATER POLLUTION. The Public Works Committee reported with amendments S. 890, to extend and strengthen the Water Pollution Control Act (S. Rept. 543) (p. 6864).
12. SELECTIVE SERVICE. The Armed Services Committee reported with amendments H. R. 3005, to extend selective service for 4 years until July 1, 1959 (S. Rept. 549) (p. 6864).
13. PUBLIC DEBT. Sen. Martin, Pa., discussed the increase in public and private debt and stated that "Government, at all levels, should balance the budget" (p. 6882).
14. WATER SHORTAGES. Sen. Bennett discussed the problems of water shortages and inserted a Washington Sunday Star editorial, "Water, Water Everywhere, But U. S. May Be Facing Catastrophic Shortage" (pp. 6882-3).
15. ELECTRIFICATION. Sen. Neuberger discussed the concern being expressed over the decision of the Supreme Court in the case of the Federal Power Commission against Oregon and inserted newspaper articles on this subject (pp. 6883-5).
Sen. Lehman inserted his testimony in favor of Niagara power project legislation (pp. 6930-4).
16. PERSONNEL. Discussed and passed over S. 1041, to provide for the inclusion in the computation of accredited service, under the Civil Service Retirement Act, of certain periods of service rendered States or instrumentalities of States. Sen. Purtell stated he did not think it proper business to consider this bill on call of the calendar in view of the fact that the Civil Service Commission and the Bureau of the Budget have expressed opposition to the bill (p. 6897).
The Post Office and Civil Service Committee ordered favorably reported without amendment S. 59, to make April 1, 1948 the effective date for survivorship benefits to widowers, and S. 1849, to provide for the grant of career-conditional and career appointments in the competitive civil service to indefinite employees who previously qualified for competitive appointment (p. D549).

Calendar No. 516

84TH CONGRESS
1ST SESSION

H. R. 6367

IN THE SENATE OF THE UNITED STATES

JUNE 14, 1955

Ordered to be placed on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. GREEN, Mr. MONRONEY, Mr. CARLSON, Mr. SCHOEPPPEL, Mr. KENNEDY, Mr. PASTORE, Mr. ERWIN, Mr. DANIEL, Mr. KERR, Mr. LONG, and Mr. THURMOND to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, viz:

- 1 On page 25, line 2, strike out "\$5,000,000" and insert
- 2 in lieu thereof "\$10,000,000".

H. R. 6367

AMENDMENT

Intended to be proposed by Mr. GREEN, Mr. MONRONEY, Mr. CARLSON, Mr. SCHOEPP, Mr. KENNEDY, Mr. PASTORE, Mr. ERWIN, Mr. DANIEL, Mr. KERR, Mr. LONG, and Mr. THURMOND to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

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entitlement to all benefits pertaining to any officer retired in such grade, was considered, ordered to a third reading, read the third time, and passed.

INCREASED EFFICIENCY OF COAST AND GEODETIC SURVEY

The bill (H. R. 5398) to increase the efficiency of the Coast and Geodetic Survey, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

LIGHTS REQUIRED TO BE CARRIED BY MOTORBOATS

The Senate proceeded to consider the bill (S. 1791) to amend section 3 of the act of April 25, 1940 (54 Stat. 164), relating to the lights required to be carried by motorboats which had been reported from the Committee on Interstate and Foreign Commerce, with amendments, on page 1, line 7, after the word "the", to strike out "white light aft" and insert "combined lantern", and in line 18, after the word "the", to strike out "combined lantern" and insert "white light aft", so as to make the bill read:

Be it enacted, etc., That subsection (c) of section 3 of the act of April 25, 1940 (54 Stat. 164; U. S. C., 1952 edition, title 46, sec. 526b) is amended to read as follows:

"(c) Motorboats of classes A and 1 when propelled by sail alone shall carry the combined lantern, but not the white light aft, prescribed by this section. Motorboats of classes 2 and 3, when so propelled, shall carry the colored side lights, suitably screened, but not the white lights, prescribed by this section. Motorboats of all classes, when so propelled, shall carry, ready at hand, a lantern or flashlight showing a white light which shall be exhibited in sufficient time to avert collision."

SEC. 2. Section 3 of the act is further amended by adding after subsection (d) thereof the following new subsections:

"(e) When propelled by sail and machinery any motorboat shall carry the lights required by this section for a motorboat propelled by machinery only.

"(f) Any motorboat may carry and exhibit the lights required by the Regulations for Preventing Collisions at Sea, 1948, act of October 11, 1951 (65 Stat. 406-420), as amended, in lieu of the lights required by this section."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PARTICIPATION OF THE UNITED STATES IN THE INTERNATIONAL FINANCE CORPORATION—BILL PASSED OVER

The bill (S. 1894) to provide for the participation of the United States in the International Finance Corporation was announced as next in order.

Mr. PURTELL. Mr. President, I consider this bill is not a proper measure to be considered on a call of the calendar. It involves a subscription by the United States Government of more than \$35 million in public funds, and I suggest that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

SURVEY OF PASSAMAQUODDY TIDAL POWER PROJECT

The Senate proceeded to consider the joint resolution (S. J. Res. 12) to authorize and direct the International Joint Commission of United States-Canadian boundary waters to make a survey of the proposed Passamaquoddy tidal power project, and for other purposes, which had been reported from the Committee on Foreign Relations, with amendments, on page 1, line 7, after the word "treaty", to strike out "is authorized and directed to make a survey" and insert "be requested by the Secretary of State to arrange for a survey to be made", and on page 2, line 24, after the numeral "4", to strike out "The International Joint Commission shall report the results of such survey to the Congress of the United States and to the Government of the Dominion of Canada" and insert "The Secretary of State shall report the results of such survey to the Congress of the United States", so as to make the joint resolution read:

Resolved, etc., That the International Joint Commission created by the treaty between the United States and Great Britain relating to boundary waters between the United States and Canada, signed at Washington on January 11, 1909, under the provisions of such treaty, be requested by the Secretary of State to arrange for a survey to be made to determine the cost of construction of the proposed Passamaquoddy tidal power project at Passamaquoddy Bay in the State of Maine, United States of America, and the Province of New Brunswick, Dominion of Canada, and to determine whether or not such cost would allow hydroelectric power to be produced at a price that is economically feasible, and also to determine what contribution such project would make to the national economy and the national defense.

SEC. 2. The survey provided for in the first section shall be consistent with the report (dated March 15, 1950) made by the International Passamaquoddy Engineering Board to the International Joint Commission, and with the supplemental report (dated May 1952) on details of estimate of cost of comprehensive investigation of Passamaquoddy tidal power project by Corps of Engineers, United States Army.

SEC. 3. The Secretary of the Army, the Federal Power Commission, and other officers and agencies of the Government of the United States are authorized to assist the International Joint Commission in the making of such survey, and shall be compensated for any work performed pursuant to this section out of such funds as may hereafter be appropriated for use by the International Joint Commission in carrying out this joint resolution.

SEC. 4. The Secretary of State shall report the results of such survey to the Congress of the United States.

SEC. 5. There is authorized to be appropriated not to exceed \$3 million to carry out this joint resolution, and any sum appropriated pursuant to this section shall be included in any determination of the proportionate share of the cost of construction of the Passamaquoddy tidal power project to be borne by the United States.

The amendments were agreed to.

The joint resolution was ordered to a third reading, read the third time, and passed.

The title was amended so as to read: "Joint resolution to request the Secretary of State to arrange for the International

Joint Commission, United States and Canada, to conduct a survey of the proposed Passamaquoddy tidal power project, and for other purposes."

INCLUSION OF FEDERAL-STATE SERVICE IN RETIREMENT COMPUTATION—BILL PASSED OVER

The bill (S. 1041) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide for the inclusion in the computation of accredited service of certain periods of service rendered States or instrumentalities of States, and for other purposes, was announced as next in order.

Mr. PURTELL. Mr. President, I have no personal objection to this bill, but in view of the fact that the Civil Service Commission and the Budget Bureau have opposed it, I think it is not proper business to be considered on a call of the calendar, and I suggest that it be passed over.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

DESERT LAND ENTRYMEN

The bill (S. 1177) for the relief of desert land entrymen whose entries are dependent upon percolating waters for reclamation was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the requirement of section 1 of the Desert Land Act of March 3, 1877 (19 Stat. 377), that the right to the use of water by a desert land entryman "shall depend upon bona fide prior appropriation" shall be waived in the case of all desert land entries which have heretofore been allowed and are subsisting on the effective date of this act, which are dependent upon percolating waters for their reclamation, and which are situated in States under the laws of which the percolating waters upon which the entries are dependent are not subject to the doctrine of prior appropriation.

PROTOTYPE AIRCRAFT DEVELOPMENT ACT

The bill (S. 2074) to extend for an additional 5 years the provisions of the act of September 30, 1950, entitled "An act to promote the development of improved transport aircraft by providing for the operation, testing, and modification thereof," was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 7 of the act of September 30, 1950 (64 Stat. 1090), is amended by striking out "five" and inserting in lieu thereof "ten."

ESTABLISHMENT, MAINTENANCE, AND OPERATION OF AIDS TO MARITIME NAVIGATION

The Senate proceeded to consider the bill (S. 1378) to clarify and consolidate the authority to require the establishment, maintenance, and operation of aids to maritime navigation on fixed structures in or over navigable waters of the United States, which had been reported from the Committee on Interstate

and Foreign Commerce, with an amendment, on page 2, line 5, after the word "who", to strike out "willfully and knowingly", so as to make the bill read:

Be it enacted, etc., That section 85 of title 14, United States Code, is amended to read as follows:

"§ 85. Aids to maritime navigation on fixed structures; penalty

"The Secretary shall prescribe and enforce necessary and reasonable rules and regulations, for the protection of maritime navigation, relative to the establishment, maintenance, and operation of lights and other signals on fixed structures in or over navigable waters of the United States. Any owner or operator of such a structure, excluding an agency of the United States, who violates any of the rules or regulations prescribed hereunder, commits a misdemeanor and shall be punished, upon conviction thereof, by a fine of not exceeding \$100 for each day during which such violation continues."

SEC. 2. Section 18 of the Federal Water Power Act, as amended (U. S. C., 1946 edition, title 16, sec. 811), is further amended by striking out the words "Secretary of War" in the first sentence and inserting in lieu thereof the words "Secretary of the Department in which the Coast Guard is operating."

SEC. 3. The analysis of chapter 5 of title 14, United States Code, immediately preceding section 81 of such title, is amended by striking out the item "85. Failure to maintain lights; penalty" and inserting in lieu thereof the following: "85. Aids to maritime navigation on fixed structures; penalty."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RECONVEYANCE OF CERTAIN LANDS, ALBENI FALLS RESERVOIR

The bill (S. 598) to provide for adjustments in the lands or interest therein acquired for the Albeni Falls Reservoir project, Idaho, by the reconveyance of certain lands or interests therein to the former owners thereof was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That (a), in order to provide for adjustments in the lands of interests in land heretofore acquired for the Albeni Falls Reservoir project to conform such acquisition to a lesser estate in lands now being acquired to complete the real estate requirements of the project, the Secretary of the Army is authorized to reconvey any such land or interests in land heretofore acquired to the former owners thereof whenever (1) he shall determine that such land or interest is not required for public purposes, (2) he shall have received a written statement from such agency or person as may be designated by the Governor of the State of Idaho that the reconveyance of such property is in the best interest of the State, and (3) he shall have received an application for reconveyance as hereinafter provided.

(b) Any such reconveyance of any such land or interest shall be made only after the Secretary (1) has given notice, in such manner (including publication) as he shall by regulation prescribe, to the former owner of such land or interest, and (2) has received an application for the reconveyance of such land or interest from such former owner, in such form as he shall by regulation prescribe, within a period of 90 days following the date of issuance of such notice.

(c) Any reconveyance of land or interest therein made under this act shall be subject to such exceptions, restrictions, and reser-

vations (including a reservation to the United States of flowage rights) as the Secretary may determine are in the public interest.

(d) Any land or interest therein reconveyed under this act shall be sold for an amount determined by the Secretary to be equal to the price for which the land was acquired by the United States, adjusted to reflect (1) any increase in the value thereof resulting from improvements to the land made by the United States, and (2) any decrease in the value thereof resulting from (A) any reservation, exception, restriction, and condition to which the reconveyance is made subject, and (B) any damage to the land or interest therein caused by the United States. In addition, the cost of any surveys necessary as an incident of such reconveyance shall be borne by the grantee.

(e) The requirements of this section shall not be applicable with respect to the disposition of any land, or interest therein, described in subsection (a) if the Secretary shall certify (1) that notice has been given to the former owner of such land or interest as provided in subsection (b), and that no qualified applicant has made timely application for the reconveyance of such land or interest, or (2) that within a reasonable time after receipt of a proper application for reconveyance of such land or interest the parties have been unable to reach a satisfactory agreement with respect to the reconveyance of such land or interest.

(f) As used in this section, the term "former owner" means the person for whom any land, or interest therein, was acquired by the United States, or if such person is deceased, his spouse, or if such spouse is deceased, his children.

SEC. 2. The Secretary of the Army may delegate any authority conferred upon him by this act to any officer or employee of the Department of the Army. Any such officer or employee shall exercise the authority so delegated under rules and regulations approved by the Secretary.

SEC. 3. Any proceeds from reconveyances made under this act shall be available for use in administering the provisions of this act and any surplus shall be covered into the Treasury of the United States as miscellaneous receipts.

SEC. 4. This act shall terminate 3 years after the date of its enactment.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1956

The bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, was announced as next in order.

Mr. STENNIS. Mr. President, the bill which was the unfinished business before the Senate proceeded to a call of the calendar, has been disposed of on the calendar call. The bill which was just called is the bill making appropriations for the Department of Commerce for the fiscal year 1956. It is proposed to take up that bill at the end of the call of the calendar, with the understanding there will be no vote on it today. The Senator from Delaware [Mr. WILLIAMS] is interested in the bill, and that agreement has been had with him, but it is expected the Senate will proceed to the consideration of the bill, so that the Senator from Florida may make a statement concerning it. Debate may take place on the bill, and amendments may be offered to it, but no vote will be taken on the bill today.

Mr. President, I move that the bill be made the pending order of business at the end of the call of the calendar.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi to make the Department of Commerce appropriation bill the pending business at the close of the call of the calendar.

The motion was agreed to.

REMOVAL OF AN INEQUITY IN THE PAY OF CERTAIN POSTAL EMPLOYEES

The bill (H. R. 4659) to amend section 16 of the act entitled "An act to adjust the salaries of postmasters, supervisors, and employees in the field service of the Post Office Department," approved October 24, 1951 (65 Stat. 632; 39 U. S. C. 876c), was considered, ordered to a third reading, read the third time, and passed.

SUSPENSION OF FURTHER CALL OF THE CALENDAR

Mr. PURTELL. Mr. President, in view of the fact that the calendar committee on this side has not had an opportunity to study or review the reports on the four bills following on the calendar, I ask that the further call of the calendar be suspended.

The PRESIDING OFFICER. Without objection, the remaining bills on the calendar will go over to the next call of the calendar.

That completes the call of the calendar.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1956

The PRESIDING OFFICER. Pursuant to the motion heretofore agreed to the Chair lays before the Senate the Department of Commerce appropriation bill.

Senate proceeded to consider the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. STENNIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I think the purpose of the quorum call has been served. Therefore, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MONROE in the chair). Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. Has unanimous consent been given for the Senate to proceed to vote today on the bill? Or am I correct in understanding that the eminent Senator from Florida [Mr. HOLLAND] will

make a statement on the bill, and there will be such other discussion as Senators may wish to engage in, but the vote on the various items of the bill will be postponed until tomorrow?

The PRESIDING OFFICER. The understanding of the Senator from Illinois is correct.

Mr. HOLLAND. Mr. President, as the Senate begins the consideration of H. R. 6367, the bill making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, there are several points which I believe should be made clear.

The amount of the bill as reported to the Senate by the Senate Appropriations Committee is \$1,314,617,300, which is \$51,775,700 less than the budget estimates which were considered by the committee, although it is \$190,932,300 more than the amount contained in the bill as it was passed by the House of Representatives.

However, much of the increase is more apparent than real. A total of \$126,500,000 of the increase, for example, is for the payment of obligations of the United States which would have to be paid in any event. If the funds are not appropriated now, we shall merely have to vote supplemental funds in the spring.

This total includes an increase of \$86,500,000 for liquidation of public road contracts made under authorizations provided in Federal highway acts, \$80 million of which is for Federal-aid highway reimbursement to the States, and \$6,500,000 is to pay the direct obligations of the Federal Government for building forest highways, under the accelerated contractual program approved in the Federal-Aid Highway Act of 1954.

There is an increase of \$25 million for the operating differential subsidies due to be paid by the United States this year under contracts authorized by the Merchant Marine Act of 1936, as amended. There is also an increase of \$15 million for the payments by the Civil Aeronautics Board to air carriers of their subsidies based upon the rates established under section 406 of the Civil Aeronautics Act, which subsidies must be paid by the United States after those rates are established by the Board in accordance with that act.

As already stated, those three items total \$126,500,000, and in each case they cover obligations which must be paid in fiscal 1956 in order to keep our accounts on a current basis and in accordance with law. There are other items in the bill involving major increases over the House allowances.

First in size, we recommend an increase of \$38,100,000 under maritime activities for ship construction. This will cover the total of the budget estimate, and it will continue the accelerated shipbuilding program for our merchant marine. Twenty-three million one hundred and fifty thousand dollars of the total will put back into the bill provision for 2 prototype cargo ships and 1 prototype high speed tanker which the Navy wants to try out and use, and which will directly contribute to our national defense.

Let me say at this point that this morning the chairman of the subcommittee received a letter under date of June 14, 1955, from the Acting Secretary of Commerce, Mr. Walter Williams, relating what he says was an unintentional oversight on the part of the Department of Commerce in requesting appropriations from the Senate committee. Under this request the Secretary of Commerce would have us write into the bill an additional authority for \$375,000, which will be required, as he says, during the fiscal year 1956, in connection with salaries and expenses which are necessary and will be derived from the present total for the large program of ship construction covered by the budget and by the committee recommendations.

I ask unanimous consent that the letter from the Acting Secretary of Commerce be printed in the RECORD at this point as a part of my remarks, so that other Senators may have the opportunity, as will members of the committee, between now and tomorrow, to obtain information as to whether or not the requested item should be added.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF COMMERCE,
Washington, D. C., June 4, 1955.
Hon. SPESSARD L. HOLLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR HOLLAND: When the proposed amendments to H. R. 6367, the bill making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, were submitted to the Senate Appropriations Subcommittee, the Maritime Administration, through an oversight, neglected to list an important and highly significant amendment.

This refers to the amount of the transfer which may be made to the appropriation "Salaries and expenses" for the fiscal year 1956 for administrative and warehouse expenses from the appropriation "Ship construction."

The requested restoration of \$38,100,000 granted by the Senate Appropriations Committee included \$600,000 for administrative and warehouse expenses related to the construction projects involved. Of this \$600,000, \$375,000 will be required during fiscal year 1956, and page 44 of our appeal material should have shown an appropriate amendment for page 10, line 8, of H. R. 6367. In order to permit an adequate level of administrative and warehouse activity for this program, it is respectfully requested that the amendment indicated below be presented when the bill is introduced in the Senate for floor action:

Page 10, line 19, strikeout "\$900,000" and insert "\$1,275,000."

I will greatly appreciate your cooperation and assistance in this matter.

Sincerely yours,

WALTER WILLIAMS,
Acting Secretary of Commerce.

Mr. HOLLAND. Mr. President, so far as I know, there is no other additional request pending for restoration of funds to the bill, aside from requests which have been specifically denied by the Senate Committee on Appropriations.

The second in size, included among the real increases which are recommended in the Senate bill, is the item for the Inter-American Highway. On March

31, 1955, the President recommended to the Congress that work on this highway be accelerated so that it might be completed in 3 years. The committee recommends \$25,250,000, which is an increase of \$17,250,000, for this purpose, and which covers the total unappropriated balance of the existing authorization through fiscal year 1956.

I think I should add, however, that since the date of the marking up of the bill the House itself has acted favorably upon the request of the President for an additional authorization. The House has passed a bill, H. R. 5923, which includes the additional authorization requested, and that bill is now in the Senate Committee on Public Works.

In the words of the Appropriations Committee report on this subject:

It is the sense of the committee that the interests of the Nation, our friendship for the neighbor nations, the value of surface access to the Panama Canal, and many other mutual benefits dictate early completion of this highway. Even if the cost of the road is increased by accelerating its construction to completion in 3 years, as requested by the President, it is deemed to be so very much in our interest for the early realization of our objectives, in Latin American peace and in mutual economic benefit as to greatly outweigh the added cost.

Next in size, we propose an increase of \$4,125,000 for the item "operation and regulation" in the Civil Aeronautics Administration. Again I quote from the report:

This recommendation is a result of careful consideration of the adverse effect on our growing civil and military aviation that would result from plans to discontinue certain aids to air navigation.

It was shown that, in connection with the submission of the Budget, the Civil Aeronautics Administration advised the Congress that it proposed to eliminate 31 of the currently operated facilities for affording safety in air travel. The committee discovered, when it requested the Civil Aeronautics Administration to let us know how the reductions in the budget, as voted by the House, would affect that program, that an additional 30 such stations would have to be closed, making 61 in all.

And I quote from the report:

Our recommendation—will permit facilities, constructed at Federal expense, and needed for the air-ground services that assure safety in aviation, to be operated. A lesser amount will result in closing facilities.

The committee in its report includes words directing the Civil Aeronautics Administration to make a report of its plan or program to the Congress, and to the appropriate committees, so that before we start the closing of operating facilities of the CAA which are making it possible for airplanes to operate in relative safety, we shall at least know what the program is, and in what direction it is proposed to go.

Next in size I mention that the bill would provide an increase of \$2,100,000 for the Weather Bureau. With that increase, the committee recommends a provision which will require \$4,250,000 to be used for improvement and operation of hurricane, severe storm, and tornado

warning services, including research and facilities. This also would include the operation in the Gulf of Mexico of a weather ship during the hurricane season.

Much testimony was heard on proposals to provide increased amounts for this purpose, up to as much as \$11 million, and several Senators spoke before or wrote to the committee in support of these increases. At least a dozen Members of the Senate express a very grave interest in this subject. I shall not attempt to place their names in the RECORD at this time, because they appear in the printed record of the hearings. However, practically all Senators from States along the seaboard, in New England, and along the gulf coast were directly interested in the program of increased effectiveness of hurricane warnings, and improvement of that service.

A large number of Senators from the States in the interior of the United States were equally interested in the improvement of the service of the Weather Bureau which gives warnings that tornadoes are likely to occur in announced areas from day to day during the period of the year when tornadoes are to be feared. Various bills on this subject have been introduced, some of them increasing the authorization to as much as \$11 million. Various Senators spoke in support of increases of that size, and from that size all the way down.

The committee felt, after very carefully reviewing the situation and conferring with Commerce Department officials and many others, that the total recommendation of \$4¼ million which we report for this service, approximately half of which amount was allowed by the House, and about half of which, or \$2 million was added by the Senate, would be about what could be properly used in the coming fiscal year. We think it constitutes a very large increase of the Weather Bureau's facilities and services in this field, in which so many Senators have expressed an interest.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield to the distinguished Senator from Rhode Island.

Mr. PASTORE. Is it true that the Weather Bureau of the Department of Commerce had originally asked for \$10 million in this particular area?

Mr. HOLLAND. As the Senator from Florida understands the situation, the total for this appropriation requested by the Weather Bureau for inclusion in this bill was about \$37 million. The committee has closely approximated that amount in the recommendation which it makes to the Senate, and has probably provided for the Weather Bureau almost all the money which was requested for the extension of the Weather Bureau services in this field. However, the Weather Bureau likewise requested for inclusion in another item in the bill an additional appropriation of \$5 million, which is provided for by this bill.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. PASTORE. I am addressing myself to the comment made by the dis-

tinguished Senator from Florida to the effect that after careful consideration and after discussions, the appropriation for the Weather Bureau which was finally agreed upon and reported by the committee was a compromise figure on which all parties were in agreement. As I understand, the original request of the Weather Bureau in this particular area of their budget was about \$10 million, and it was reduced to \$5 million by the Bureau of the Budget, which is the figure which was provided by the House. The question I should like to ask the distinguished Senator from Florida is this: On what ground did the Weather Bureau justify its agreement to the compromise figure if initially it thought it needed \$10 million?

Mr. HOLLAND. The Senator from Florida cannot categorically answer that question. However, he is perfectly willing to make available to the Senator from Rhode Island the justification as filed with the committee, which goes a great deal further than the testimony which was given before the committee by the Acting Director of the Weather Bureau.

Suffice it to say that the Senator from Florida believes that \$4¼ million, the amount recommended by the committee, can be usefully used by the Weather Bureau, and that there is no question about the Bureau being able to employ that amount of money properly and effectively and usefully during the coming year. We were doubtful whether amounts beyond that could be so employed.

I would not wish to create the impression, as indicated by the Senator from Rhode Island, that everybody agreed on this figure, because that is not the case. We know, however, after checking into the facts, that the amount recommended can be assimilated in the expansion of the service and that very great and good results can be accomplished with it, but there is a question about whether the Bureau could use more money.

After all, \$4¼ million for a limited activity of this kind, operating only during a part of the year, as the Senator from Rhode Island well knows, is quite a large sum, when measured against the total appropriations of the Department of Commerce. Whatever the Weather Bureau may want, ask for, and justify, as it moves along with the development of this program, the Senator from Florida will be in favor of appropriating.

The Senator from Florida stated in his opening remarks that he believes his own State, by reason of the fact that in the past it has been struck more frequently by hurricanes than perhaps any other State in the Union, has received the benefit of perhaps a disproportionate part of the services for which appropriations have been made heretofore.

We have been very grateful for the service rendered to us. It has been very helpful. The service performed by the head of the Weather Bureau Station at Miami, Fla., Mr. Grady Norton, who unfortunately, as the Senator knows, passed away in the middle of the hur-

ricane experience last year, whose demise had been regretted publicly in Florida, and in whose name an award was made only the other day, typified the kind of service which has been given to our State. It certainly has been extremely valuable.

I said in committee, and I repeat on the floor, that I want every other area which is threatened by hurricanes to have just as good service—and even better service, if it can be made available—as it is possible for the weather bureau to render. I shall certainly support appropriations to that end.

The Senator from Florida is not sold at this time on the usefulness of making appropriations beyond the \$4¼ million which the House of Representatives and the Senate Committee on Appropriations have between them added to this measure for the very worthy purposes which so greatly concern the distinguished Senator from Rhode Island.

Mr. PASTORE. I wish to say to the Senator from Florida that I do not believe any Member of the Senate who understands better or more clearly than does the Senator from Florida the apprehension that dwells in the hearts of the people of New England, who in recent years have been visited by these freaks of nature in the form of violent hurricanes.

A bill, which was considered by the Public Works Committee, provided for a survey to be conducted. I am glad to note that that bill was passed by the Senate and was also acted on favorably by the House of Representatives.

At that time the representatives of the Weather Bureau testified before the Committee on Public Works that if there had been radar equipment at Cape Hatteras we the people of New England could have been better advised as to the direction of Hurricane Carol, and we would not have suffered the severe damage they did suffer.

In view of the apprehension on the part of the people of New England and of the explanation given by the Weather Bureau, the Senator from Florida can well realize what an appropriation in this particular field means to the people of New England and to the people elsewhere in the country who are visited by these devastating freaks of nature.

Mr. HOLLAND. The Senator from Florida well knows that, and the appropriation for new facilities for the Weather Bureau contained in the pending bill, as recommended by the committee, stands at \$5 million. The appropriation includes a substantial amount for radar equipment. I may say to the distinguished Senator from Rhode Island that perhaps no other subject matter coming before the committee received longer or more careful study, and certainly no subject brought more expressions of concern from other Members of the Senate, including the Senator from Rhode Island and his colleague, and, as I have already stated, nearly all the Senators from the Gulf and Atlantic States, including particularly those from New York and the New England States, whose areas have suffered severe damage in recent years.

I can say to the Senator from Rhode Island that we in Florida have had these experiences heretofore. In fact, we have had them so frequently that for a while the hurricanes were referred to—I hope facetiously—as Florida hurricanes.

The experiences of the past few years have shown that such an appellation is a misnomer. It has been shown that when mother nature engages in one of the gyrations which we call a hurricane, the hurricane is apt to strike anywhere along the gulf coast or along the Atlantic seaboard, as far north as the New England coast.

Having had the best opportunity to know how much good can come from the hurricane warning services of the Weather Bureau, no one is more anxious about this subject matter than is the Senator from Florida, and no one is more anxious to give to other areas of the Nation all the services heretofore given to us, and to have those services made available to all areas which are threatened by hurricanes. But I know perfectly well that a great deal more is involved in this subject than merely the enlargement of the facilities of the Weather Bureau.

It has been stated not once but several times in the hearings that it is necessary that there be established a very high degree of organization in order to protect the populations that are affected by hurricanes, so that those most threatened can be evacuated from exposed areas, so that homes may be boarded up, so that when communications facilities are threatened there will be personnel available to keep them in operation, and when they have been wiped out, as sometimes they will be, to have a corps of shortwave operators available to take over. In my State very fine service has been rendered along this line.

It is necessary that there be a very high degree of organization effected by the civilian defense organization of a State which is affected, or by unofficial groups; and the communities which have suffered in modern times will, of course, have to come year after year to a higher state of organization in order to do their part in meeting the hurricane threat. I know that movement is under way.

But, Mr. President, I do not want anyone to attach undue importance to the mere stepping up of the appropriations for the Weather Bureau. It is highly important. It is basic. Without it, the information needed can not be secured and can not be transmitted. But there is much more than that required effectively to prepare a community to sustain the hammering blows of a hurricane. I would not want anyone to feel that he was protected fully by the Weather Bureau, because quite the contrary is the case. A highly developed organization is required to enable large populations such as are represented in part by the Senator from Rhode Island, to be ready to do their part effectively in combating the ravages of a hurricane.

Mr. PASTORE. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. PASTORE. I realize full well that there is nothing we can do to stop the elements of nature. Of course, it makes a great deal of difference in the amount of damage and in the loss of life if we know the directions of the storms, where they will strike, and the intensity with which they will hit. But the thing which disturbed us was that, although the Weather Bureau had requested from the Budget Bureau approximately \$10 million, which would convince me that they were apparently thinking about the organization required to spend that amount, without any justification whatsoever, and as an indiscriminate act on the part of the Budget Bureau, the amount was reduced to \$5 million, which was cutting it in half. The Weather Bureau originally asked for \$10 million as the amount required to do the job, in view of the terrible storms which prevailed all over the country, and then, suddenly, they decided that a figure of \$4¼ million would do the job. They were either grossly wrong in the first place, or they have committed an error at this time.

Mr. HOLLAND. Since the Senate committee came to somewhat the same figure as that which the Senator has mentioned, which is not far from \$5 million, and since I do not know what were the reasons which impelled the Department of Commerce and the Budget Bureau to take the position which they took, I wish to say that at the time the matter came up in the hearings, the Commerce Department did not want to retain in the bill even the additional amount which had been placed in it by the House, which, as I recall, was \$2,250,000. There was in another item later in this bill provision for a more adequate handling of the facilities acquisition program. The Department of Commerce did not feel it was timely to increase this item at this time. So the \$4¼ million in this item represents independent research within the House committee, in the first instance, and, in the second instance, on the part of the Senate committee, it represents at least the judgment of the Senate committee with which we hope the House will in conference be in accord. We believe that in the coming fiscal year the amount can be appropriately used. We doubt whether more than that can be used.

So, Mr. President, I hope the distinguished Senator from Rhode Island will not feel that there is any lack of sympathy or lack of understanding of the problem in the minds of the members of the Senate committee who have given more time and effort to the consideration of this subject than to any of the others involved, some of which were much greater in terms of dollars and cents. This amount, we think, can be assimilated in a program which will result in greatly improved service. We doubt very seriously whether a case has been made for a greater amount. We are in complete sympathy with the needs of the Weather Bureau.

Mr. PASTORE. Mr. President, will the Senator from Florida yield further?

Mr. HOLLAND. I yield.

Mr. PASTORE. Is the distinguished Senator aware of an amendment being proposed by my senior colleague [Mr. GREEN] to increase the amount by \$5 million?

Mr. HOLLAND. I should be very loathe to see this particular item tampered with on the floor of the Senate. There is no lack of sympathy on the part of any member of the subcommittee or of the full committee. We want the maximum of good service to be rendered as quickly as it can be rendered to affected areas, but I do not think \$10 million or \$11 million is in line with the possibilities of quick accomplishment. We think our recommendation is in line with those possibilities.

Mr. PASTORE. Do I correctly understand the Senator to mean that he will oppose the so-called Green amendment?

Mr. HOLLAND. I shall certainly oppose any amendment which adds substantial sums to the bill, because we have made a careful study of it, and we do not wish to have even a suggestion made that we are less sympathetic to the humanitarian objectives embodied in the program than is anyone else.

I suspect the Senator from Rhode Island knows more about the meaning of real help from the Weather Bureau than does any other Senator, because he was Governor of his State when there were several hurricanes, and as a lifelong resident of his State and during years when there have been many hurricanes, he knows from experience the seriousness of the problem and I would wish that experience to redound to the protection of the people. We should like to move ahead as rapidly as possible. But merely to pick a figure out of the air at this time, will not, I think, help anyone. Instead, it will be more apt to confound the issue than to advance a thought-through program such as that which is embraced in the committee recommendations.

Mr. PASTORE. With the background and experience on the part of the distinguished Senator from Florida, it is very important to the people of New England that in the appropriation recommended by this committee sufficient money is being provided to give that particular area adequate protection insofar as protection can be given to any people.

Mr. HOLLAND. I think this amount will give every bit of added protection that can possibly be given during the coming year.

I am perfectly willing to say to my friend, the Senator from Rhode Island, that I expect to be serving in the same capacity when the supplemental bill is considered, and if a further showing can be made of the opportunity to spend more money effectively, I shall be happy always to stand up and to fight for the interests of the people of Rhode Island, just as I shall for the people anywhere else.

But I do not believe in simply including millions of dollars in a bill when there is no immediate use for them, and when there will be no immediate good to come out of such an appropriation. I

think one result might be to lead the people to think they have been fully protected, wholly cared for, when that is not the case. We have an opportunity to build upon experience. We have competent personnel. It is necessary to train other personnel in the very difficult job of hurricane detection and hurricane prediction, and in the hurricane warning service.

We cannot add overnight \$10 million worth of radar equipment. We want to move as fast as we can. To that end, I pledge my very best efforts to the Senator from Rhode Island and the people of the New England region.

Mr. PASTORE. In other words, if proof can be shown for the need of more money, there will be no compelling reason to wait for a whole year, because the situation can be taken care of through a supplemental appropriation in due time.

Mr. HOLLAND. The Senator from Rhode Island is exactly correct. I hope my friend will not urge at this time an added appropriation, which it would be impossible to justify, because the facts and figures are not yet available. I would rather have the Senator rely on the assurance I have just given, namely, that if in the near future a state of affairs should arise which would justify an enlarged program, we shall do our best to include sufficient funds in a supplemental appropriation bill or a deficiency appropriation bill.

I observe on the floor several members of the Committee on Appropriations. I feel certain there is not one who would not back me up in my statement.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I will back up the Senator from Florida.

Mr. HOLLAND. I know the distinguished Senator from New Mexico will do so; and I believe every other member of the committee will back up my statement.

Mr. SCHOEPPPEL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. SCHOEPPPEL. I have listened with much interest to the colloquy between the Senator from Florida and the Senator from Rhode Island with reference to the increase in the appropriations for the Weather Bureau. If I understood the Senator from Florida correctly, the bill provides at present about \$4 million to take care of some of the additions for which it is thought advisable to provide in the weather reporting or weather warning system.

Mr. HOLLAND. The Senator from Kansas is correct so far as he goes. Four and a quarter million dollars has been added by the committee's recommendation specifically for the purpose of quickly increasing the hurricane warning, storm warning, and tornado warning service, including the operation of one weather ship in the Gulf of Mexico during the hurricane season. But if the Senator will look at page 10 of the committee report, the next paragraph from the end of the page, he will find also that

the committee recommends \$5 million for the establishment of meteorological facilities by the Weather Bureau. In part, of course, those facilities will greatly serve toward the accomplishment of every objective about which we have been speaking in connection with the use of \$4,250,000. So the bill provides much more for the improvement of the facilities of the Weather Bureau than is found in simply the amount of \$4,250,000.

Mr. SCHOEPPPEL. I appreciate that statement. I share in the apprehension manifested by the members of the committee and by the Senator from Rhode Island about hurricane damage.

As the Senator from Florida knows, the Midwest has been subjected to very tragic loss of life and serious property damage by reason of tornadoes and cyclones. Can the Senator state the number of additional radar stations or warning stations which might be provided with the additional sum, if that matter has been discussed? I am speaking from the standpoint of the interior of the country, especially the midwestern section.

Mr. HOLLAND. I think the best way to attempt to answer the Senator's question, because the amount covers more than radar stations, is to ask unanimous consent to have printed at this point in the RECORD the justification of the Weather Bureau for the \$5 million additional for the meteorological equipment program, which was granted in full by the Senate committee. That will give the information, so far as it was made available to the committee, as to the plans of the Weather Bureau.

There being no objection, the justification was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF COMMERCE, WEATHER BUREAU—JUSTIFICATION BY ACTIVITIES

1. Upper-air observational equipment:

Positions	0
Average employment.....	0
Personal services.....	0
Other objects.....	\$2, 700, 000
Total amount.....	\$2, 700, 000

The upper-air observing network of the United States and possessions, as established by joint agreement between civil and military authorities, consists of 93 stations. The maintenance and operation of this basic network is by statute the responsibility of the United States Weather Bureau, but because the Bureau's funds have been insufficient to maintain the complete network, 25 of these stations now are being operated by the Armed Forces while 3 stations have not been activated. The outmoded equipment which the Bureau is using is entirely inadequate for observing high altitude winds and fails almost completely to observe the high-speed air currents popularly termed "jet streams." Accurate and comprehensive observations of high-level winds are essential both for general forecast purposes and for aircraft operations. Observation of the jet stream is one of the primary factors employed in preparing warnings of severe local storms and tornadoes; it is now known that this phenomena is intimately related to the formation of many of the major cyclonic disturbances occurring in the United States. Wind speeds of 100 to 250 miles per hour frequently occur at the altitudes at which jet aircraft normally operate (30,000 to 50,000 feet MSL), so it is especially important that they be accurately observed for operations of this type.

The need for more adequate high altitude wind information for aviation purposes was stressed in a memorandum from Mr. F. B. Lee, Administrator of Civil Aeronautics to the Weather Bureau, dated May 19, 1954. In this memorandum Mr. Lee stated:

"Present-day civil aircraft, in the course of their regular domestic and international operations at high altitudes, are encountering and in some cases taking advantage of the high velocity wind currents known as jet streams. At the present time operations with these wind currents, however, are uncertain due to the limited knowledge of them which exists today.

"In the reasonably near future, it is anticipated that United States turbojet aircraft will be flying regularly at altitudes up to approximately 40,000 feet on civil routes in all parts of the world. Operators of these aircraft will be interested in taking advantage of their knowledge of this subject either to utilize jet streams as tailwinds or to avoid them as headwinds.

"A complete understanding of these winds, including ways and means of determining their presence, direction, velocity, length, and duration, would be of material assistance in contributing to the safety and efficiency of United States air navigation."

Modern electronic equipment which already has been developed and is currently in use by the military services will consistently observe this jet stream phenomena since it measures winds to altitudes nearly twice that of present Weather Bureau facilities. It is planned to equip the entire basic network of 93 stations with this modern equipment and for the Weather Bureau to assume operation of those stations which are being operated by the military. Inasmuch as the modern equipment at the 25 stations the Armed Forces are operating will be transferred to the Weather Bureau without cost, only such other expenses as are incidental to the relocation of these stations from military bases to Weather Bureau sites will be required. The total cost of relocating these 25 stations will be \$428,000. New equipment and facilities, however, will be required for 58 of the 65 stations the Bureau is now operating. The three additional stations necessary to complete the network will be established at Jackson, Miss.; Winne-mucca, Nev.; and Charleston, W. Va.

2. Weather surveillance radar:

Positions.....	0
Average employment.....	0
Personal services.....	0
Other objects.....	\$927, 000
Total amount.....	\$927, 000

One of the most pressing and difficult problems in meteorology consists of detecting and tracking highly localized weather phenomena and major storms which approach the Nation's coast from the sea. By visual observational methods all the weather observers in the entire national network of reporting stations cannot see more than 4 or 5 percent of the local thunderstorms, tornadoes, showers, hailstorms, etc., which may exist over the United States at any given time. Consequently, such phenomena often develop, run their course, and disappear without ever coming within visual detection range of a weather reporting station. This problem can be overcome largely with modern radar storm-detection equipment which enables the observer to determine the nature of precipitation, to see where it is occurring, and what direction it is moving—within a radius of 150 to 250 miles of the observation station. Associated phenomena, such as hail, tornadoes, hurricanes, fronts and squall lines can be observed and their movements tracked. As a result, a comparatively sparse grid of stations equipped with radar will quite effectively blanket the severe weather areas of the United States. Such a network of radar stations will be extremely valuable

because it will permit far more accurate and timely warnings of severe storms to be issued to communities in their paths. The proposed network will result in improved short period aviation forecasts and will provide more accurate information concerning type of storm, areas of turbulence and hail, and icing levels for flying interests. It is extremely important that the equipment be located where the radar scope can be viewed personally by the meteorologist so that he may carefully observe and evaluate the development, changes in intensity, direction and rate of movement of severe weather echoes.

The Weather Bureau now has a partial network of radar stations using equipment converted to weather work from surplus airborne military sets which were manufactured during World War II. These converted radar sets yield fairly satisfactory results although they do not operate on the optimum radio frequency for weather search, nor will they penetrate extensive areas of bad weather. Furthermore, they were engineered for lightness, for airborne use, and as a result of minimum overload factors, will not stand up well in continuous day-in-day-out operation. It is planned to procure and install 12 additional sets of radar equipment specifically designed and built for weather detection purposes. Existing radar sets will be retained in use, although it is planned to relocate a few of the older sets in order to place the improved facilities in those localities having the highest frequency of tornadoes and other severe storms. These new installations, combined with existing facilities, will provide a network of 40 stations which will give reasonably good radar coverage for the United States areas having the greatest frequency of tornadoes, hurricanes, and other severe storms. The work schedule for the new installations provides for the preparation of technical specifications, the letting of contracts and the installing of 3 radar sets in 1956 and the installation of the remainder of the sets in 1957. Each set will require 1 employee to maintain it and to assist the existing station staff with its operation.

3. End-of-runway observational equipment:

Positions.....	0
Average employment.....	0
Personal services.....	0
Other objects.....	\$665,000
Total amount.....	665,000

It is generally agreed that landing an aircraft constitutes the most crucial part of flying. Pilots, in making instrument landings, must at some time before touchdown, be able to see the runway. This creates a critical problem when ceilings and visibilities in the immediate vicinity of the approach end of the runway are near or below the legal landing minimums established for safety purposes and differ materially from the official observations which are taken some distance away (frequently one or more miles) at the site of the weather station. When such conditions occur, they frequently cause expensive, time-consuming missed approaches, with increased accident hazards.

For jet aircraft this problem is extremely acute since, because of their operational and fuel consumption characteristics, it is impossible to make repeated approaches. Automatic electronic equipment has been developed which will measure cloud height and visibility in the landing zone of the instrument landing runway and instantaneously transmit these values to the weather station and the control tower. Precise knowledge of weather conditions on the approach end of the runway will enable the air traffic controllers to avoid scheduling landings when conditions are likely to result in missed approaches. Preliminary investigations in connection with this problem have

been supported by funds transferred from the Air Navigation Development Board. Research has proceeded to the extent that application of the end-of-the-runway technique is entirely practicable with instruments now obtainable. Installation of this equipment is proposed for the 45 instrument landing airports in the United States where the landing of aircraft under adverse conditions has become most critical.

4. Other surface observation facilities:

Positions.....	0
Average employment.....	0
Personal services.....	0
Other objects.....	\$322,000
Total amount.....	322,000

Much of the Bureau's surface observational equipment is badly outmoded and should be replaced, especially wind, temperature, and humidity measuring instruments. In addition, congestion at the airports where most of the observing stations are located has caused the physical exposure of the instruments at many places to become unsatisfactory. The objectionable exposures consist mainly of the effects on temperature and humidity instruments of wide expanses of concrete paving and of masonry structures, of the effects of locating thermometers and wind-measuring equipment at nonuniform altitudes above the ground, and of the turbulence and sheltering effects which result where it is necessary to locate wind instruments on or near high structures.

Telepsychrometric systems (remote temperature and humidity recorders) will be located at 300 stations. Modern wind-recording equipment will be provided at 50 stations where automatic continuous records of wind directions and velocities, including peak gusts, are most urgently needed. Most of the exposure problems which now exist can be overcome by the remote reading feature of this equipment; and, since it will not be necessary for the observers to visit remotely located instrument shelters at hourly or more frequent intervals, time will be released for other urgent duties. A new weather observatory and office building at an estimated cost of \$25,000 is required at Hatteras, N. C., and 2 single family living quarters units at an estimated cost of \$12,500 each are required at Canton Island, in order to maintain the observational program at those stations.

5. Engineering and technical support:

Positions.....	20
Average employment.....	12
Personal services.....	\$287,250
Other objects.....	\$98,750
Total amount.....	\$386,000

¹ Total of 50 man-years estimated for entire 4-year period.

Installation of the equipment to be obtained under this appropriation will require a staff of qualified electronic engineers and technicians. A maximum of 20 positions is anticipated, with a total work requirement of 50 man-years for the entire project. Two engineers will be required during the first year and one during the second and third years to survey sites and make preliminary plans for setting up the facilities. Six employees will be required at headquarters, to prepare engineering plans and specifications preliminary to procurement of equipment; to issue instructions and prepare blueprints, etc., for use by installation crews; and to coordinate and direct the program. It is planned to reduce this staff to five during the second year, and to three by the fourth year.

Actual installations of electronic equipment will be performed by 6 crews of 2 technicians each, during the first year, with a gradual reduction of to 2 crews during

the fourth year. Preliminary work, such as construction of foundations and laying of underground conduit, will have been done under contract, so that these technicians can devote their time to specialized electronic work and move quickly from one installation to the next.

Establishment of meteorological facilities, Weather Bureau, 1956-59—Schedule of installations

Item	Fiscal year				Total
	1956	1957	1958	1959	
1. Upper-air observational equipment:					
GMD-1A type rawinsonde set.....	140	18	16	12	286
Balloon inflation shelter.....	129	7	4	4	44
Protective plastic dome.....	134	14	8	7	63
2. Weather surveillance radar.....	3	9	0	0	12
3. End-of-runway observational equipment.....	10	20	15	0	45
4. Other surface observational facilities:					
Buildings.....	3	0	0	0	3
Wind recorders.....	10	20	20	0	50
Telepsychrometers.....	50	100	100	50	300

¹ Includes relocation of 25 sets currently operated by the Armed Forces.

² 7 of the 93 basic network stations have been equipped with instruments transferred from the Armed Forces.

Mr. HOLLAND. Mr. President, with that amount and the \$4,250,000 additional, it should be apparent that the committee does not want to inhibit the Weather Bureau in the slightest. The only specific item concerning which the committee directed the Weather Bureau was as to the operation of the weather ship in the Gulf of Mexico. Otherwise we confined ourselves to stating the general objectives of a quick improvement in the hurricane warning system, a general storm warning system, and a tornado warning system, so as to provide as quickly as possible better protection for all the areas which may be threatened by hurricanes, major storms, or tornadoes. We think that is the soundest policy under present conditions.

Those who are responsible for the program are devoting their entire lives to the objective of trying to ascertain information quickly and to communicate it to the public. I regard them essentially as persons who believe in serving; otherwise they would not be occupying their position. The intention is to turn the money over to them so that they can build up the service as rapidly as possible, whether through the installation of radar or the building of warning centers, and quickly train additional crews.

I may say again that not every person in the Weather Bureau can handle the assignment of predictor or prognosticator of hurricanes, or of following hurricanes through their courses as they come up through the South Atlantic, the Caribbean, or the Gulf, and then through the upper Atlantic, before the time they strike the mainland. This is highly technical work, and there are involved matters having to do with training facilities and all types of arrangements, including radio and television stations.

In my State, during the hurricane season, and at the approach of a hurricane, radio stations which are located anywhere near the path of the storm are

contacted through the hurricane warning center in Miami. All the stations broadcast at, I believe, half hour intervals, warnings and late information which has been received from the planes which are flying in and outside the eye of the hurricane. That information is transmitted from the plane both by radio and in person when the pilots again come to the ground.

Such information must be quickly correlated and quickly conveyed to the radio and television stations.

When the storm gets very close, information is transmitted even to stations which are operated by the "ham," or amateur shortwave, operators, who at times have had to accept a very large part of the responsibility when hurricanes have struck our coast.

So there is more than merely radar, more than simply an office in which the Weather Bureau personnel can serve. All kinds of very technical communication systems must be established. All kinds of statistical information must be collected. I am certain the Senator has seen compilations of plots of the courses of hurricanes at various times of the year. They seem to bend into the Atlantic at certain times and toward the gulf at other times. Thus the acquisition of information is a continuing one. The Weather Bureau is receiving new information each year, and each time a hurricane develops.

The committee has left the whole operation of the development of such information to the Weather Bureau.

So I would not want to say to my friend, the Senator from Kansas, that we have specifically allowed for anything more than the items shown in the justification, in the other \$5 million appropriation which is for the improvement of meteorological facilities. The four and a quarter million dollars will be in the hands of the Weather Bureau, to be spent where it thinks it can be most effectively used in preparing to give better warning as quickly as possible.

We were impressed by a chart, presented by the Weather Bureau, showing their prediction with reference to the probability of tornadoes the day before, indeed, hours before, the occurrence of the recent disastrous tornadoes in Oklahoma and Kansas. The location of each of the tornadoes was plotted in the area for which warning was given, and all those tornadoes, except one, occurred within the boundaries which had been indicated the day before as the area of probable tornado tension. The one which occurred outside the first area was included in the somewhat changed plot which was given out some hours after the first one. So that effective warning can be given, but I repeat to the distinguished Senator from Kansas what I just said to the distinguished Senator from Rhode Island: It takes more than the mere ascertainment of the weather facts and giving them out. Intensive organization by the good people affected is required before the best results can be obtained.

In the case I have mentioned, after there had been full indication to all the people affected, I am quite sure, without having been at the villages which were

destroyed or wiped out, that there were more storm cellars than those occupied by persons at the time that tornado hit at about 10 o'clock in the evening. It takes intensive organization in order to get the job of protection done, organization on the part of the civil officials, and on the part of people themselves, who are threatened with disaster whenever a tornado strikes the area in which they live.

Mr. SCHOEPPPEL. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Kansas.

Mr. SCHOEPPPEL. I agree with the Senator that great latitude and leeway should be left to this important type of service, and that its personnel should have the opportunity of designating where, in conjunction with the overall program, these types of installations might best serve the people and the area generally.

I will say to the distinguished Senator from Florida that I was somewhat disturbed because of a situation which developed in my own State very recently. I have heard rumors to the effect that there was some disposition on the part of the Commerce Department and related agencies to close 13, 14, or 15 reporting stations because of a lack of funds which are necessary for this most important type of service—a service which should be rendered. As the Senator from Florida has said, I am sure that the appropriation which has been requested and the appropriation which the committee has added will probably enable the Department to take this matter into serious consideration. I think it would be a mistake to close, in some sections of the country, stations such as those having to do with air service, community service, weather reporting, and other stations of that type which have trained personnel on hand. I agree with the Senator from Florida that it takes more than dollars and cents to enable the stations to give results; it requires trained personnel.

I was glad to hear the Senator from Florida say to the Senator from Rhode Island a moment ago that when a subsequent appropriation is considered, if, in the wisdom and judgment of those responsible, it should be deemed feasible and practicable, and there are available the personnel and equipment, the committee will be liberally inclined and will provide additional appropriations if the money can be utilized.

Mr. HOLLAND. The Senator from Kansas is correct. The committee would not only be strongly inclined to support a reasonable program, but would insist on doing so. The Senator from Florida now invites the Senator from Kansas to pursue the matter further, and if a specific plan enlarging the various programs embodied in the bill can be worked out, of course we shall be glad to provide for it in a subsequent bill.

I am glad the Senator from Kansas mentioned the CAA stations, because they have a part in the picture. I had already stated, I think before the Senator from Kansas came to the floor, that when the appropriation for the CAA was considered by the committee, it not only

restored the full budgeted amount, which meant that none of the stations could be closed which would have had to be closed if the House figures prevailed, but also added \$975,000 to the appropriation when it discovered that the CAA, because of recommendations of the Budget Bureau would have to close 31 stations which are now functioning, and which we thought were of value, not only for aircraft operations, but for weather service.

The principal reason why we felt they were of value in the hurricane situation is that when the Weather Bureau was asked by me what its recommendations were with reference to the closing of the Vero Beach, Fla., station, which was one of the 31 that CAA proposed to close under the recommendations of the Bureau of the Budget, the Weather Bureau said it had no intimation of plans for closing that station, and the officials of the Weather Bureau were of the opinion that it was an important link in the group of stations which make observations and gather and broadcast information when a hurricane is approaching the southeast coast of Florida. The officials of the Weather Bureau were not found to be at all willing to discontinue that station, which is both a weather station and an air-warning station as well.

Mr. SCHOEPPPEL. I appreciate very much what the Senator from Florida has said. I now understand the situation. I am sorry I was not present when he began his discussion of the matter. To that extent, he is far ahead of me. I think it is very important that the statement of the Senator is being put into the Record as a justification, which will enable further us to explain the situation to many of our constituents, who I am sure are alarmed—and not without reason—because of the weather situation which has developed in the past few weeks in our section of the country.

Mr. BARRETT. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield to the Senator from Wyoming.

Mr. BARRETT. At the outset, let me commend the Senator from Florida for his very fine work as chairman of the subcommittee handling the appropriation bill now under consideration, and for his illuminating statement to the Senate today.

Mr. HOLLAND. I thank the Senator.

Mr. BARRETT. I should like to inquire of the Senator with regard to the increase of \$975,000, over the budget request, which he mentioned a moment ago. It seems to me the utilization of those funds is of tremendous importance to people of the West, for the reason that many chartered planes are operated by so-called civil itinerants, such as farmers, ranchers, businessmen, and other persons. Those persons fly under visual flight rule operations, and they do not have any instruments. Consequently the stations afford a great degree of protection to such operators in the way of safety. Unless that item is retained in the bill, and unless the House conferees accede to the Senate amendment, in the event it is approved by the Senate, communities such as Douglas, and other small communities in my

State, will find themselves in a pretty bad predicament, so far as safety precautions are concerned.

So I am very much pleased to see that item in the bill as reported by the committee, notwithstanding the fact, as I understand, that the item was not allowed by the Bureau of the Budget. Am I correct in that assumption?

Mr. HOLLAND. I do not know whether the item was deleted by the Bureau of the Budget or by the Civil Aeronautics Administration of their own will in planning within the budget. The budget, as it reached the Congress, involved elimination of provision for 31 stations of this kind. It was to prevent the elimination of the provision for those stations that the Senate committee approved the item of \$975,000.

In fairness to the committee, I should say that the committee is not averse to effecting savings in this field if they can be properly effected. So the committee wrote into its report a direction to the Civil Aeronautics Administration to report to the Senate and to the House of Representatives Appropriations Committees what it is proposing to do in this regard, so that we may know where the CAA is going, before it begins to eliminate any large number of CAA flight-control stations.

Mr. BARRETT. Mr. President, if the Senator from Florida will yield further to me, let me say to him that I am not opposed, either, to effecting savings. However, so far as I know, in my own State, particularly during violent winter storms, it is most desirable to make possible communication between aircraft and stations of this kind which may be 50 or 100 miles from a large city.

Therefore, from the point of view of the safety of hundreds of private planes using the air, as well as the safety of the large commercial air-transport planes, it seems to me to be advisable that these stations be continued in operation, particularly because of their value in cases of emergency landings in time of storm.

Mr. President, I was very much pleased, I may say to the distinguished Senator from Florida, when the committee voted to restore this item to the bill, because the airport at Rock Springs, Wyo., is a large one, and is about 200 miles from any other large airport. It is in a mountainous area. The justification contains an item for an instrument-landing system at the airport itself, provision for which would be lacking unless the full estimate were included in the bill along with the appropriation for the 31 stations.

Mr. HOLLAND. I thank the distinguished Senator from Wyoming. He was one of many Senators who expressed misgivings about the closing of these stations. He so stated in his appearance before our committee; and the committee was in complete accord with that view after it had heard all of the plans, and had found that no program was reported, and no plans had been made which it felt would give equal safety or better safety.

So, as I have already stated, we included the item of \$975,000 with the direction that the CAA close no stations at this time; and we added the following:

The committee therefore directs that no stations or facilities now operating be discontinued by the Civil Aeronautics Administration, and that there be reported to the appropriate committees of the Senate and the House of Representatives a comprehensive plan for future air-traffic control routes, facilities, and stations, which shall in any event be made available to this committee and to the Appropriations Committee of the House of Representatives prior to the submission of the budget for the fiscal year 1957.

We felt that direction gives the Civil Aeronautics Administration a chance to effect economies which it is willing specifically to justify, but does not leave the Congress in the position of taking action which would blank 31 stations out of existence, without a showing as to their necessity or want of necessity, and would similarly blank out 30 more such stations, if the amount voted by the House of Representatives were to prevail.

Mr. BARRETT. Furthermore, this item will give the Congress an opportunity to take another look, before these stations are discontinued.

Mr. HOLLAND. That is correct.

Mr. BARRETT. I think the committee was very wise in the position it took.

As the Senator from Florida will recall, I also appeared before the committee and asked it to restore the cut of \$3,150,000 voted by the House of Representatives. As will be recalled, I referred to the situation with reference to the control tower at the Casper Airport. As I said then, the Casper Airport presently is used as a training base for the Air National Guard of six different States, and the Air National Guard uses it for the training of jet-plane pilots. There have been a number of near accidents there. Very fortunately, there have not been any serious accidents. But commercial planes are using that field all the time, and a large number of private planes—owned by oil companies and other large concerns—land there. So we are faced there with a serious situation, from the point of view of safety. Consequently, a control tower at the Casper Airport Base is badly needed; and I was very glad to see the Senate committee vote to restore to the bill the item of \$3,150,000, which the House of Representatives had voted to eliminate. I am very glad that the Senate committee has voted to restore that item, because the Bureau of the Budget and the Civil Aeronautics Administration gave a justification for an air-control tower at Casper, to cost, as I recall, \$90,000 for the tower itself, \$50,000 for electronic equipment for the tower, and \$27,000 for operating expenses.

Mr. O'MAHONEY. Mr. President, will the Senator from Florida yield to me?

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from Florida yield to the Senator from Wyoming?

Mr. HOLLAND. I yield.

Mr. O'MAHONEY. I wish to associate myself with the remarks made by my colleague from Wyoming [Mr. BARRETT]. The Casper Airport would be seriously damaged and its future value to the State of Wyoming and to the Nation seriously impaired if the Senate conferees were to yield to the House conferees in connection with this matter.

I wish to add my voice to that of the senior Senator from Wyoming in requesting that the increase, or the restoration, voted by the Senate committee be approved by the Senate as a whole, and that the Senate conferees urge upon the House conferees the absolute necessity of reestablishing the facilities at Casper, at Douglas, and at Rock Springs.

Mr. HOLLAND. Mr. President, I appreciate the comment the distinguished junior Senator from Wyoming has made. I may say that on page 455 of the hearings will be found the list of four airport traffic-control towers, which is the full number which would have been deferred until after 1956 if the amount voted by the House of Representatives were to remain in the bill. Casper, Wyo., is one of the four, and the other three are Moline, Ill.; San Angelo, Tex.; and Shreveport—downtown—La.

Mr. MANSFIELD. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. MANSFIELD. Will the distinguished Senator from Florida tell the Senate the details of the item on page 5 of the bill relative to funds for air-navigation operation, and whether the stations at Livingston, Whitehall, and Drummond, Mont., will be kept in operation during the coming year? As the Senator from Florida knows, these stations are located in extremely mountainous areas. The terrain is rough, and the stations are very much needed.

Mr. HOLLAND. Mr. President, I am very glad the Senator from Montana has raised this question, and I am glad to refer him to page 454 of the committee hearings, wherein it is shown that the three important installations he has mentioned—namely, those at Drummond, Livingston, and Whitehall, Mont.—are among the ones which are directed by the committee not to be closed during the coming fiscal year, and whose operations are provided for by the committee's recommendation for the addition of \$975,000 to the budget recommendation.

Mr. President, there is one substantial decrease below the House figures. In the proposed appropriation for establishment of air navigation facilities, under the Civil Aeronautics Administration, the amount in the bill is \$2,500,000 less than the House figure. Of the reason for this reduction, the report says:

It is the view of the committee that the administration should proceed slowly with installation of new equipment while the question of the type permanently to be used in being determined.

As to this item, I feel it is important to point out, Mr. President, that the amount in the bill is more than three times the amount of the appropriation for fiscal year 1955.

Mr. President, all of the substantial changes of amounts contained in the House bill which I have already mentioned relate to activities in the Department of Commerce. The Senate will note that in the case of the other agencies included in this bill there are no substantial changes from the figures suggested by the House. In the case of the St. Lawrence Seaway Development Corporation and that of the Tariff

Commission, we recommended the same amounts as those contained in the House bill. In the case of the Canal Zone, we recommend that the House bill be increased by \$300,000, though the amount which we recommend is still \$298,000 below the 1956 estimates. In the case of the Advisory Committee on Weather Control, we recommend that the House figures be increased by \$120,000, which is the amount required to cover full year's salaries for persons employed for only a part year in 1955, and to also provide funds to expand several experimental projects. In particular, the amount which we recommend would allow the Advisory Committee on Weather Control to carry out, in connection with the Weather Observation Station at Mt. Washington, N. H., the important experiment which has been planned and which it is thought will afford new and needed information relative to the effects, both on the area directly involved and on nearby areas, of the artificial production of rain brought about by cloud seeding.

Mr. President, I understand that the request of the Senator from Delaware [Mr. WILLIAMS], to which we have acceded, was that no action be taken on any of the items included in the Senate committee version of the bill. I have mentioned the major items of change in my remarks today.

I shall expect, immediately upon resumption of this debate tomorrow, to ask the Senate to take the usual course of approving en bloc the committee amendments, of which there are a great many, with the definite understanding that we shall simply have a clean bill at that stage, without precluding or handicapping in any way the offering of amendments to any portion of the text of the clean bill.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. O'MAHONEY. I observe that among the amendments recommended in the report—I have not had an opportunity to check the bill—is a reduction of the appropriation for the Census of Business, Manufactures, and Mineral Industries. The last paragraph on the bottom of page 3, under the heading which I have just recited, says:

The committee recommends no amendment. The House allowance of \$4 million is \$655,000 less than the budget estimate, and \$4,430,000 less than the appropriation for fiscal year 1955.

Am I correct in my assumption that there was a cut of \$655,000 below the budget estimate, which cut was made by the House committee and was untouched by the Senate committee?

Mr. HOLLAND. The Senator is correct. However, if the Senator had turned the page, he would have found the Senate committee's philosophy more fully explained in the first sentence at the top of the next page. The Senator may wish to read it into the Record.

Mr. O'MAHONEY. It reads as follows:

It is not intended by the committee that this reduction should delay or curtail the planned work on the censuses, but that, if it is demonstrated that additional funds

are required in fiscal year 1956 to complete it, a supplemental estimate will be submitted.

My point is this: In years gone by the Census of Manufactures has been of inestimable value in determining the trend of business throughout the United States. Unfortunately, it was curtailed during the war. I know personally of requests which are being made to the Bureau of the Census for additional information, which scarcely can be obtained without the amount recommended by the Budget Bureau.

I know the Senator is concluding his statement. At the moment I am merely giving notice that I should like to have the opportunity, when amendments are in order, to offer an amendment and a more detailed explanation as to why the Census of Manufactures should not be curtailed.

Mr. HOLLAND. I thank the distinguished Senator. Of course, he is thoroughly within his rights in offering such an amendment. However, I invite his attention to the fact that the Budget showed an unobligated balance carried forward of \$340,000, which, with the \$4 million which the House placed in the bill for this item, would equal \$4,340,000, whereas the budgeted amount is \$4,655,000.

Upon surveying the situation, the committee felt that it would safeguard the item entirely by simply giving notice that it expected the work to be completed, and that it stood ready, in the event the \$4,340,000 was not sufficient, to recommend supplying the balance in a supplemental appropriation.

Mr. O'MAHONEY. I think that is a very admirable position on the part of the committee. However, as I say, I wish to discuss the subject a little more fully at a later time. At the moment I am supposed to be present at a conference committee session between the House and Senate on some bills which have been passed by both Houses.

Mr. DOUGLAS. Mr. President, I wish to discuss and oppose the amendment of the committee on page 7, lines 16 and 17, increasing the subsidies to be paid to air carriers from \$40 million, as provided in the House bill, to \$55 million.

It should be understood that this very large subsidy of \$55 million would be in addition to the mail pay which is given to the airlines, the appropriations for which for the current year will amount to \$77 million. Therefore, with the compensation for mail which is still being paid for by the Government at a very liberal rate—I believe at the rate of 60 cents per ton-mile—we would now have a total of \$132 million being appropriated for the air carriers of the country.

I have very real doubts about the wisdom of increasing the subsidy from \$40 million to \$55 million. I believe the House committee was on the whole much better advised when it fixed the figure of \$40 million. I should like to say that my doubts arise from 3 or 4 considerations.

ONE BIG AIRLINE, PAN-AMERICAN, OWNS CHAIN OF NINE HOTELS

The first is that one of the big air carriers, Pan American Airways, according

to the evidence, owns completely, 100 percent, a chain of hotels known as Intercontinental Hotels Corp. That fact was admitted last year in the hearings at page 2114, when, in response to a question by the Senator from West Virginia [Mr. KILGORE] addressed to the representative of CAB, Mr. Roth, who had previously stated that Pan American owned 20 percent of International Hotels Corp., corrected his figure. He testified:

Yes, the correct figure is 100 percent. I believe I stated at the time that it was my general recollection that Pan American originally had only 20 percent. I was apparently confused when I made the statement based on general recollection.

So we have here a completely owned hotel subsidiary which is tacked onto Pan American Airways and which is financed by or organically connected with it.

CAB TABULATION SHOWS LARGE EXPENDITURES AND ADVANCES BY PAN-AM FOR ITS HOTEL SUBSIDIARY

On the 26th of May, the day before the hearings started before the subcommittee of the Senate Appropriations Committee on the request of the CAB for these airline subsidies, I wrote to the distinguished chairman of the Committee on Appropriations urging a large reduction of subsidies. I said:

There is no justification in saddling the taxpayers, directly or indirectly, as appears to have been done, through the device of airmail subsidies, with ventures such as hotel chains and real-estate development companies which are entered into by airlines for which the CAB is asking your committee to appropriate subsidies.

In that letter I also stated:

I was unsuccessful in obtaining from the CAB a statement of the gross transactions between the subsidized airlines and their subsidiaries, but I have obtained a tabulation of the net transactions, which I submit for inclusion in the record of your hearings following this letter.

Unfortunately, as the distinguished chairman of the committee has advised me by letter, the tabulation which was attached to my letter of May 26, which contained supporting figures, was by inadvertence omitted from the printed hearings.

Therefore, Mr. President, I ask unanimous consent that my letter and the omitted tabulation be printed in the Record at this point.

There being no objection, the letter and tabulation were ordered to be printed in the Record, as follows:

UNITED STATES SENATE,
May 26, 1955.

HON. CARL HAYDEN,
Chairman, Senate Appropriations
Committee, Washington, D. C.

DEAR SENATOR HAYDEN: You recall that last year and previous years I have consistently advocated reduction in the appropriations for airmail subsidy in the interests of the American taxpayers.

On pages 2159-2164 of your hearings of last year on the airline-subsidy appropriation requested by the Civil Aeronautics Board were listed a large number of subsidiaries of subsidized airlines.

I have had considerable correspondence with the General Accounting Office and with the Civil Aeronautics Board on this matter

and want to lay before your committee as much information as is possible. I am handicapped in this regard in that the report of the CAB dated May 20, 1955, on the relationship between the most heavily subsidized airline, Pan American, and the largest of all the subsidiaries, Intercontinental Hotels Corp., is stamped: "Public disclosure of this information not authorized by the CAB."

There is no justification in saddling the taxpayers, directly or indirectly, as appears to have been done, through the device of airmail subsidies, with ventures such as hotel chains and real-estate development companies which are entered into by airlines, for which the CAB is asking your committee to appropriate subsidies.

Whereas the CAB advised the House (Appropriations Committee hearings on 1955 CAB budget, p. 636) that Pan American owned only about 20 percent of Intercontinental Hotels Corp., it develops that the true facts (confirmed in your hearings of last year, p. 2114) are 100 percent. This fact is important because section 407 (e) places responsibility on the CAB to audit the books of subsidiaries. The law defines subsidiaries as companies over which the parent company exercises effective control. If the extent of Pan American's ownership of Intercontinental Hotels Corp. were only 20 percent, it might be argued whether effective control exists, and, therefore, whether the CAB is responsible for auditing, but there surely

can be no argument in the fact of the fact of 100 percent ownership.

Unfortunately, however, I find that the Government has never conducted a complete audit of this subsidiary.

The investigative report of the House Appropriations Committee referred to in House Report 207 is extremely critical of this failure of the CAB to conduct the necessary audits of the subsidiaries. At your hearings on the second supplemental the Civil Aeronautics Board talked about the difficulties of invading friendly South American countries to get the books of subsidiaries in which our airlines owned only a minority interest. The General Accounting Office informs me, however, that in this instance Pan American owns, not a minority interest of Intercontinental Hotels Corp., but a 100 percent interest and, further, that the headquarters of this hotel corporation are located in the same building, the Chrysler Building, as the parent airline. Therefore, there seem to be no real obstacles to a complete Government audit of this hotel corporation and similar subsidiaries.

I was unsuccessful in obtaining from the CAB a statement of the gross transactions between the subsidized airlines and their subsidiaries, but I have obtained a tabulation of the net transactions, which I submit for inclusion in the record of your hearings following this letter.

This CAB tabulation shows, for example, that in the calendar year 1953 alone Pan American advanced \$2,530,063 more to its subsidiary, IHC, than it received back.

It would appear that we are subsidizing Pan American, which in turn is subsidizing its wholly owned hotel firm.

As you know, a man would be thrown off the public relief rolls immediately if he were found to own a valuable hotel, let alone a whole chain of them. Here we are confronted with the spectacle of an airline appealing to the Government for vast subsidies at the public expense, on the basis of its alleged need, while at the same time we find it owns a whole chain of luxury hotels and advances millions of dollars yearly on these hotels.

These facts, plus others which you will find in the attached tabulation, indicate the necessity for a drastic reduction in airline subsidy in the interest of the taxpayer.

In my book *Economy in the National Government*, I pointed to the possibility of reducing airline subsidies by \$40 million per year.

Since we now have a chance to vote on airline subsidies separately from the appropriation for compensation for actually flying the mail, I hope your committee will see fit to make a reduction of this size in the subsidy appropriation now before you.

Sincerely,

PAUL H. DOUGLAS.

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945	Net additions or deductions (—)								Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Alaska Airlines, Inc.: Affiliates:										
Alaska Aviation Maintenance, Inc.:										
Current					\$22		—\$22	—\$1,000		¹ —\$1,000
Security investment				\$1,000					\$198	1,198
Total				1,000	22		—22	—1,000	198	198
Aeronautical Radio, Inc.:										
Current								792	—792	
Security investment				10				990	594	1,594
Total				10				1,782	—198	1,594
Fairbanks Aeronautical Radio, Inc.: Security investment				1,000			1,782	—1,782		1,000
Alaska Aviation Radiom, Inc.:										
Current								250	—250	
Security investment									250	250
Total								250		250
Total Alaska				2,010	22		1,760	—750		3,042
Allegheny Airlines: Affiliates:										
Aeronautical Radio, Inc.: Security investment	\$560	\$1,083					5,160			6,803
Air Cargo, Inc.: Security investment	80			320						400
Air Transport Association: Security investment		1,600								1,600
Airlines Clearing House: Security investment					501		—400			101
Airport Ticket Office Association: Security investment									792	792
Total affiliates	640	2,683		320	501		4,760		792	9,696
Separately operated division: Manufacturing and development division: Security investment			\$685,808	—323,904	—158,505	\$3,352	105,275	\$104,164	—416,190	
Total, Allegheny	640	2,683	685,808	—323,584	—158,004	3,352	110,035	104,164	—415,398	9,696
Bonanza Air Lines, Inc.: Affiliates:										
Air Cargo, Inc.: Security investment							220			220
Aeronautical Radio, Inc.:										
Current							232	127	—359	
Security investment							1,000		247	1,247
Total							1,232	127	—112	1,247
Total Bonanza							1,452	127	—112	1,467
Braniff Airways, Inc.: Affiliates:										
Chicago Airlines ticket office:										
Current	450		—450							
Security investment	150			—150						
Total	600		—450	—150						

¹ Represents payable to affiliate.

NOTE.—"Current" includes accounts receivable and payable and advances receivable and payable, and is shown in each instance where carrier reported balances of this character.

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953—Continued

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945 ¹	Net additions or deductions (—)								Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Braniff Airways, Inc.: Affiliates—Continued										
Airlines Clearing House:										
Current	\$1,000				—\$500		—\$400			\$100
Security investment	1									1
Total	1,001				—500		—400			101
Air Cargo, Inc.:										
Current		\$2,400	—\$2,400							
Security investment	440			\$1,760				\$800		3,090
Total	440	2,400	—2,400	1,760				800		3,090
Aeronautical Radio, Inc.:										
Current							—7,985	9,574	\$7,604	9,193
Security investment	2,570	8,736	764		220		2,710	9,330		24,350
Total	2,570	8,736	764		220		—5,275	18,904	7,604	33,523
Air Transport Association: Security investment		14,800			—14,800					
Midway Airport Corp.:										
Current			57,371	—53,936	195				—3,230	400
Security investment			5,000	—5,000						
Total			62,371	—58,936	195				—3,230	400
Radio Aeronautica de Cuba:										
Current			33,941	—33,941	3,516		—499	2,663	498	6,178
Security investment			100					53,200		53,300
Total			34,041	—33,941	3,516		—499	55,863	498	59,478
Airlines Motor & Terminal Corp.: Security investment			200		—200					
Aeropuertos de Cuba, S. A.: Security investment			100							100
Aeronautical Radio, Caribbean:										
Current					61,167	\$23,738	—23,399	—55,756	—5,750	
Security investment				106,400	—53,200			—21,044	—9,119	23,037
Total				106,400	7,967	23,738	—23,399	—76,800	—14,869	23,037
Airlines Terminal Corp.: Security investment					7,511			3,756		11,267
Braniff Airways de Mexico: Security investment										
Combined airline ticket office: Current							2,890			2,890
Airlines personnel relations: Current							1,000		—597	403
								360		360
Total, Braniff	4,611	25,936	94,626	15,133	3,909	23,738	—25,683	2,883	—10,594	134,599
Caribbean-Atlantic Airlines, Inc.: Affiliates:										
Aeronautical Radio, Inc.: Security investment	10									10
Central Airlines, Inc.: Affiliates:										
Air Cargo, Inc.:										
Current								—192	192	
Security investment							220			220
Total							220	—192	192	220
Aeronautical Radio, Inc.:										
Current								—656	1,729	1,073
Security investment							1,000			1,000
Total							1,000	—656	1,729	2,073
Airline Clearing House, Inc.: Security investment							101			101
Total, Central							1,321	—848	1,921	2,394
Colonial Airlines, Inc.: Affiliates:										
New York Airport Terminal, Inc.:										
Current			4,000			—3,132	155	942	2,282	4,247
Security investment	2,250	—2,000								250
Total	2,250	—2,000	4,000			—3,132	155	942	2,282	4,497
Airlines Clearing House, Inc.:										
Current						—120	120			
Security investment	1,001				—500					501
Total	1,001				—500	—120	120			501
Aeronautical Radio, Inc.:										
Current						—120	357	—656	859	440
Security investment	450	1,910		1,150			490			4,000
Total	450	1,910		1,150		—120	847	—656	859	4,440
Air Cargo, Inc.:										
Current										
Security investment	80		320			—500	253	—329	—95	—671
Total	80		320			—500	253	—329	—95	—271
Airlines Terminal Corp.: Security investment		4,900			—2,413					2,487
Consolidated Ticket Office, Washington, D. C.: Security investment		900	—900							

¹ Represents payable to affiliate.

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953—Continued

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945	Net additions or deductions (—)								Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Colonial Airlines, Inc.: Affiliates—Continued										
Consolidated Ticket Office, Brooklyn, N. Y.:										
Current.....			\$500	—\$500						
East Side Airlines Terminal:										
Current.....							\$3,000	\$655	\$9,772	\$13,427
Security investment.....						\$5,000				5,000
Total.....						5,000	3,000	655	9,772	18,427
Total Colonial.....	\$3,781	\$5,710	3,920	650	—\$2,913	1,128	4,375	612	12,818	30,081
Continental Air Lines, Inc.: Affiliates:										
Aeronautical Radio, Inc.:										
Current.....							2,618	—361	1,580	3,837
Security investment.....	560	5,350			3,140			—50		9,000
Total.....	560	5,350			3,140		2,618	—411	1,580	12,837
Air Cargo, Inc.:										
Current.....						875	—175	300	100	1,100
Security investment.....	120			480						600
Total.....	120			480		875	—175	300	100	1,700
Airlines Clearing House, Inc., security investment.....	1,001				—500		—400			101
Airlines Negotiating Conference: Current.....			342	—109	127					360
Total Continental.....	1,681	5,350	342	371	2,767	875	2,043	—111	1,680	14,993
Cordova Airlines, Inc.: None.....										
Delta Air Lines, Inc.: Affiliates:										
Aeronautical Radio, Inc.:										
Current.....									10,178	10,178
Security investment.....	1,450	7,220			3,340	—3,340	3,330		8,180	20,180
Total.....	1,450	7,220			3,340	—3,340	3,330		18,358	30,358
Airlines Clearing House: Security investment.....	1,001				—500		—400			101
Air Cargo, Inc.:										
Current.....									7,923	7,923
Security investment.....	240			960					1,000	2,200
Total.....	240			960					8,923	10,123
Chicago Airlines Ticket Office, Inc.: Security investment.....	150			—150						
Airlines Terminal Corp.:										
Current.....			\$6,964	—4,397	—2,567					
Security investment.....		15,000			—7,388				3,119	10,731
Total.....		15,000	6,964	—4,397	—9,955				3,119	10,731
Airlines Motor & Terminal Corp.: Security investment.....			200	—200						
Midway Airport Corp.: Security investment.....					47,727		—47,727		1,815	1,815
Radio Aeronautica de Cuba: Current ¹									6,378	6,378
Total affiliates.....	2,841	22,220	7,164	—3,787	40,612	—3,340	—44,797		38,503	59,506
Separately operated divisions:										
Dusting Division, Delta Air Lines, Inc.:										
Current.....			29,318	—3,358	—21,583	—2,173	25,650	3,647	51,852	83,353
Security investment.....	103,415	—2,099	—45,924	11,242	42,915	—4,533	—2,380	—27,430	—3,492	71,714
Total separately operated divisions.....	103,415	—2,099	—16,606	7,884	21,332	—6,706	23,270	—23,783	48,360	155,067
Total Delta.....	106,256	20,121	—9,442	4,097	61,944	—10,046	—21,527	—23,783	86,953	214,573
Ellis Air Lines, Inc.: None.....										
Frontier Airlines, Inc.: Affiliates:										
Airlines clearing house:										
Current.....	500						—400			100
Security investment.....	1									1
Total.....	501						—400			101
Aeronautical Radio, Inc.:										
Current.....							—1,823	1,725	1,689	1,591
Security investment.....	380						620			1,000
Total.....	380						—1,203	1,725	1,689	2,591
Air Cargo, Inc.:										
Current.....							—958	528		—430
Security investment.....	220									220
Total.....	220						—958	528		—210
Total Frontier.....	1,101						—2,561	2,253	1,689	2,482
Hawaiian Airlines, Ltd.: Affiliate: Inter-Island Steam Navigation Co., Ltd.: Current.....			—3,421	3,366	—470	525				
Helicopter Air Service, Inc.: Affiliate: Aeronautical Radio, Inc.: Security investment.....					10		990	—750		250

¹ Carrier owned 314 shares of stock at December 31, 1953 reported at zero book value.

² No breakdown between Current and Security Investments reported for these years.

³ Represents payable to affiliate.

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953—Continued

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945	Net additions or deductions (—)								Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Lake Central Airlines, Inc.: Affiliates:										
Aeronautical Radio, Inc.:										
Current.....								\$686		\$686
Security investment.....						\$220	\$780			1,000
Total.....						220	780	686		1,686
Airlines Clearing House: Security investment.....						501	—400			101
Airport Ticket Office Association Corp.:										
Current.....									\$592	592
Security investment.....									200	200
Total.....									792	792
Total Lake Central Airlines, Inc.....						721	380	686	792	2,579
Los Angeles Airways, Inc.: Affiliate:										
Aeronautical Radio, Inc.:										
Current.....				—\$349	\$349					
Security investment.....			\$10					240		250
Total Los Angeles Airways, Inc.....			10	—349	349			240		250
Mohawk Airlines, Inc. (formerly Robiusion):										
Affiliates:										
Robinson Aviation, Inc.: Current.....				—37,203	17,117	20,086				
Air Cargo, Inc.: Security investment.....				200	20					220
Aeronautical Radio, Inc.: Security investment.....							1,000			1,000
Airlines Clearing House, Inc.: Security investment.....							101			101
Total Mohawk Airlines, Inc.....				—37,003	17,137	20,086	1,101			1,321
New York Airways, Inc.: Affiliates:										
Air Cargo, Inc.: Current.....									220	220
Aeronautical Radio, Inc.: Current.....									250	250
Total New York Airways, Inc.....									470	470
North Central Airlines, Inc. (formerly Wisconsin Central): Affiliates:										
Aeronautical Radio, Inc.: Security investment.....					10		990			1,000
Airlines Clearing House: Security investment.....							101			101
Total, North Central Airlines, Inc.....					10		1,091			1,101
Northeast Airlines, Inc.: Affiliates:										
Airlines Clearing House:										
Current.....	\$500		—301	260	—35	—424				
Security investment.....	501						—400			101
Total.....	1,001		—301	260	—35	—424	—400			101
Air Cargo, Inc.:										
Current.....			—1,250	1,183	33	—529	507	—16	3	669
Security investment.....	80			320						409
Total.....	80		—1,250	1,503	33	—529	507	—16	3	331
Aeronautical Radio Co.:										
Current.....			—1,844	1,725	—24	134	—180	134	713	658
Security investment.....	450	\$3,028		132			3,390			7,000
Total.....	450	3,028	—1,844	1,725	108	134	3,210	134	713	7,658
New York Airport Terminal, Inc.:										
Current.....		5,000	—6,353	4,545	—446	—1,020	—9	952	958	3,627
Security investment.....	250									250
Total.....	250	5,000	—6,353	4,545	—446	—1,020	—9	952	958	3,877
Airlines Negotiating Committee: Current.....			327	443	—770					
Central Airlines Terminal: Current.....			500			—500				
Air Traffic Conference: Current.....			—760	439	321		—9	—251	260	
Airline Finance and Accounting Conference: Current.....			—38	38						
Air Transport Association: Current.....			—5,425	5,267	158			—1	1	
Airlines Personnel Relations Conference: Current.....					360					360
East Side Airlines Terminal Corp.:										
Current.....							3,000	603	—573	3,030
Security investment.....						5,000				5,000
Total.....						5,000	3,000	603	—573	8,039
Airlines Terminal Annex Corp.: Security investment.....								1,000		1,000
Total, Northeast Airlines, Inc.....	1,781	8,028	—15,144	14,220	—271	2,661	6,299	2,421	1,362	21,357
Northern Consolidated Airlines, Inc.:										
Amounts due stockholders or companies wholly owned by stockholders: Current.....				—52,009	8,056	43,953		—9,685	9,685	
Alaska Consolidated Vacations:										
Current.....						3,219		—3,219		
Security investment.....						73,818		—73,818		
Total.....						77,037		—77,037		
Total Northern Consolidated.....				—52,009	8,056	120,990		—86,722	9,685	

* Represents payable to an affiliate.

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953—Continued

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945	Net additions or deductions (—)								Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Northwest Airlines, Inc.: Affiliates:										
Airline ticket office, Chicago:										
Current	\$450			—\$450						
Security investment	55			—55						
Total	505			—505						
Aeronautical Radio, Inc.:										
Current				29,546	\$23,171	\$90,781	\$666	\$13,486	—\$52,300	\$105,350
Security investment	3,090	\$15,530					22,380			41,000
Total	3,090	15,530		29,546	23,171	90,781	23,046	13,486	—52,300	146,350
Air Cargo, Inc.:										
Current			\$759	—759	—5,072	5,604	—570	—218	—3,205	—3,461
Security investment	480		1,920							2,400
Total	480		2,679	—759	—5,072	5,604	—570	—218	—3,205	—1,061
Airlines Clearing House, Inc.:										
Current				1,000	—593	93	—400		—100	
Security investment	1,001			—1,000					100	101
Total	1,001				—593	93	—400			101
United States Capital Airlines: Current	400	200					200		—800	
New York Terminal Airport, Inc.:										
Current	2,000	2,000		1,000	—2,860	939	—3,079			
Security investment	250						—250			
Total	2,250	2,000		1,000	—2,860	939	—3,329			
Newark, N. J., operating revolving fund:										
Current		1,000		—1,000						
Airlines Terminal Corp.: Security investment		33,300			—16,400		—1	1		16,900
Central Air Terminal, Brooklyn: Current			500			—115	—85	—27	77	350
International Air Transportation Association of London: Current				1,000						1,000
Airport Ticket Office Association Corp., Cleveland:										
Current					134	44	3	—30	49	200
Security investment					75				—15	60
Total					209	44	3	—30	34	260
Airlines National Terminal Service Co.:										
Current					5,489	—6,292	14,035	9,129	549	22,910
Air Traffic Conference of America: Current					—154	154		3,229	—1,815	1,414
East Side Airlines Terminal Corp.:										
Current							3,000	1,290	15,767	20,057
Security investment						5,000				5,000
Total						5,000	3,000	1,290	15,767	25,057
Combined Airlines Ticket Office Association:										
Current						—455	—80	—226	1,442	681
Air Transport Association: Current							8,227	—4,965	—3,262	
Airlines Ticket Office, Detroit: Current							415	—139	424	700
Westside Airlines Terminal: Security investment							1,000			1,000
Airlines Terminal Annex Corp.: Security investment								1,000		1,000
Combined Airlines Ticket Office, District of Columbia: Current									1,000	1,000
Total, Northwest	7,726	52,030	3,179	29,282	3,790	95,753	45,461	22,530	—42,089	217,662
Ozark Airlines, Inc.: Affiliates: Aeronautical Radio, Inc.: Security investment							1,000			1,000
Total Ozark							1,000			1,000
Pacific Northern Airlines, Inc.: Affiliates: Aeronautical Radio, Inc.: Security investment							1,000			1,000
Total Pacific Northern							1,000			1,000
Pan American-Grace Airways, Inc.: Affiliates:										
Lloyd Aereo Boliviano, capital stock: Security investment	53,542	—55,115	1,573							
Sociedad Nuevo Aeropuerto, Cali, Ltda.:										
Current			38,363		—12,939	—424	4,880			29,880
Security investment			97,721							97,721
Total			136,084		—12,939	—424	4,880			127,601
Total Pan American-Grace	53,542	—55,115	137,657		—12,939	—424	4,880			127,601
Pan American World Airways, Inc.: Affiliates:										
Cia. de Aviacion Pan American Argentina, S. A.:										
Current	18,190	91,105	140,187	390,453	1,409,195	—880,191	—809,605	284,507	71,627	715,468
Security investment	12,500									12,500
Total	30,690	91,105	140,187	390,453	1,409,195	—880,191	—809,605	284,507	71,627	727,968

¹ Represents payable to an affiliate.

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953—Continued

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945	Net additions or deductions (—)								Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Pan American World Airways, Inc.—Con.										
Cia Cubana de Aviacion, S. A.:										
Current.....	\$506,373	—\$269,543	\$26,260							
Security investment.....	520,000			—\$40,000			—\$60,000		—\$220,000	\$200,000
Total.....	1,026,373	—269,543	26,260	—40,000			—60,000		—220,000	200,000
Cia Mexicana de Aviacion, S. A.:										
Current.....	1,532,639	\$—69,420								
Security investment.....	390,219	—109,809	242,268		\$337	\$3			4	523,022
Total.....	1,922,858	—179,229	242,268		337	3			4	523,022
Panair do Brasil, S. A.:										
Current.....	—162,991	\$2,566,708								
Security investment.....	237,192		—40,895							196,297
Total.....	74,201	2,566,708	—40,895							196,297
Pan American Air Ferries, Inc.:										
Current.....	70,894	—22,305	—49,589					\$1,000		
Security investment.....	1,000							—1,000		
Total.....	71,894	—22,305	—49,589							
Pan American Airways-Africa, Ltd.:										
Current.....	—17,997	39,235	—22,238	1,862		1,131	—1,362	—631		
Security investment.....	1,000							—1,000		
Total.....	—16,997	39,235	—22,238	1,862		1,131	—1,362	—1,631		
Uraba, Medellin & Central Airways, Inc.:										
Current.....	99,483	2,835	3,324	60,586	38,956	19,010	—9,431	—71,375	51,402	194,790
Security investment.....	157,500		500							158,000
Total.....	256,983	2,835	3,824	60,586	38,956	19,010	—9,431	—71,375	51,402	352,790
Pan American Airways Sales Corp.:										
Current.....	12,195						—12,195			
Security investment.....	1,000						—1,000			
Total.....	13,195						—13,195			
Pan American Airports Corp.: Security investment.....	1,000									1,000
Sociedade Aeroportos Pan Americana de Macau, Ltda.:										
Current.....	—13,333									—13,333
Security investment.....	13,333									13,333
Total.....										
Pan American Airways Corp.:										
Current.....	—52,380,362	—16,266,386	9,687,619	—26,080,390	85,342,519					
Security investment.....		23,688	140,663	28,706	—193,057					
Total.....	—52,380,362	—16,242,698	9,828,282	—26,354,684	85,149,462					
Central Air Terminal, Inc.:										
Current.....				4,000	—4,000				19,400	19,400
Security investment.....			10		2,000	2,010	9,247	6,143	—19,400	10
Total.....			10	4,000	—2,000	2,010	9,247	6,143		19,410
Grandes Hotels, S. A.:										
Current.....			461,462	286,385	—193,145	—77,082	—82,332	—395,288	361,378	361,378
Security investment.....			10,526	—10,526	236,842				236,842	
Total.....			471,988	275,859	43,697	—77,082	—82,332	—395,288	361,378	598,220
Radio Aeronautico Venezolano: Security investment.....			8,955		—8,955					
Aeronautical Radio, Inc.:										
Current.....					—3,238	23,867	122,261	13,412	—28,822	127,480
Security investment.....				9,050		10	55,000			64,060
Total.....				9,050	—3,238	23,877	177,261	13,412	—28,822	191,540
Aeronautical Radio of Siam, Ltd.:										
Current.....				33,461	4,886	—22,160	—13,321	7,987	6,125	16,978
Security investment.....				3,846	3,847	692	—4,909			3,476
Total.....				37,307	8,733	—21,468	—18,230	7,987	6,125	20,454
Airlines clearing house: Security investment.....				1,001	—500		—400			101
Airlines Terminal Corp.: Security investment.....				12,700	—6,255	812				7,257
Sociedade de Portuguesa de Agencia Aercas, Ltda.:										
Current.....				239,928	—179,642	24,742	1,521	—35,099	—51,450	
Security investment.....				7,979					—7,979	
Total.....				247,907	—179,642	24,742	1,521	—35,099	—59,429	

* In 1945 these national companies were controlled by Pan American. However, in subsequent years, due to decreased stock ownership, control by Pan American ceased and the companies were no longer reported as affiliates. Inasmuch as data on current accounts with nonaffiliated companies are not reported by the carriers, such information is not available for Cubana, Mexicana or Panair do Brasil for the full period covered by this statement.

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953—Continued

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945	Net additions or deductions (—)								Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Pan American World Airways, Inc.—Continued										
Intercontinental Hotels Corp.:										
Current.....			\$1,957	\$3	\$348,038	\$312,565	\$749,576	—\$1,588,696	\$2,530,063	\$2,353,506
Security investment.....					1,000,000					1,000,000
Total.....			1,957	3	1,348,038	312,565	749,576	—1,588,696	2,530,063	3,353,506
American Overseas Airlines, Inc.:										
Current.....						—12,090	12,090			
Security investments.....						12,068	—12,068			
Total.....						—22	22			
East Side Airlines Terminal Corp.:										
Current.....								358,733	—319,722	39,011
Security investment.....						15,000				15,000
Total.....						15,000		358,733	—319,722	54,011
International Aeradio (Caribbean), Ltd.:										
Current.....							26,007	—3,650	—36	22,321
Security investment.....						49,380				49,380
Total.....						49,380	26,007	—3,650	—36	71,701
Radio Aeronautica de Cuba:										
Current.....				100	—100	31,990	15,602	—22,632	—11,299	13,661
Security investment.....					103,559	—46,059				57,500
Total.....				100	103,459	—14,069	15,602	—22,632	—11,299	71,161
Aeropuertos Unidos, S. A.:										
Current.....								76,464	—6,535	69,929
Security investment.....								1,000		1,000
Total.....								77,464	—6,535	70,929
Del Sud Inversora S.R.L.: Security investment.....									68,125	68,125
Guided Missiles Range Division: Current.....									316,727	316,727
International Hotels Corp.: Current.....		\$10,549	—10,549							
Total Pan American World.....	—\$49,000,165	—14,003,343	10,600,460	—25,353,856	87,901,287	—544,302	—15,319	—1,370,125	2,759,608	6,844,219
Piedmont Aviation, Inc.: Affiliates:										
Airlines Clearing House, Inc.:										
Current.....				1,001	—500	—501				
Security investment.....						501	—400			101
Total.....				1,001	—500		—400			101
Aeronautical Radio, Inc.:										
Current.....				10			—10			
Security investment.....							5,000			5,000
Total.....				10			4,990			5,000
Air Cargo, Inc.: Security investment.....							220			220
Total affiliates.....				1,011	—500		4,810			5,321
Separately operated divisions: Fixed base division:										
Current.....				—17,745	4,354	13,391				
Security investment.....				205,005	—43,388	17,952	125,165	19,584	43,029	367,347
Total, separately operated divisions.....				187,260	—39,034	31,343	125,165	19,584	43,029	367,347
Total, Piedmont.....				188,271	—39,534	31,343	129,975	19,584	43,029	372,668
Pioneer Air Lines, Inc. (formerly Essair): Affiliates:										
Aeronautical Radio, Inc.: Security investment.....	10						990			1,000
Airlines Clearing House, Inc.: Security investment.....		1,001			—500		—400			101
Air Cargo, Inc.: Security investment.....						220				220
Total, Pioneer.....	10	1,001			—500	220	590			1,321
Reeve Aleutian Airways, Inc.: None.....										
Southern Airways, Inc.: Affiliates:										
Airlines Clearing House, Inc.: Security investment.....					501		—400			101
Aeronautical Radio Corp.: Security investment.....					10		990			1,000
Total, Southern.....					511		590			1,101
Southwest Airways: Affiliates:										
Airlines Clearing House: Security investment.....		1,001			—500		—400			101
Aeronautical Radio, Inc.: Security investment.....					10		3,990			4,000
Air Cargo, Inc.: Security investment.....							220			220
Total Southwest.....		1,001			—490		3,810			4,321
Trans-Pacific Airlines, Ltd.: Affiliate: Aeronautical Radio Corp.:										
Current.....							—2,770	1,990	1,831	1,051
Security investment.....						500	—500			
Total Trans-Pacific.....						500	—3,270	1,990	1,831	1,051

¹ Loss.

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953—Continued

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945	Net additions or deductions (—)								Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Trans-Texas Airways: Affiliates:										
Aeronautical Radio, Inc.:										
Current			\$10	—\$10	\$10	\$632	\$990	—\$178	—\$1,059	\$395
Security investment				10	—10				1,000	1,000
Total			10			632	990	—178	—59	1,395
Airlines Clearing House, Inc.:										
Current					501		—400		—1	100
Security investment									1	1
Total					501		—400			101
Total affiliates			10		501	632	590	—178	—59	1,496
Separately operated divisions: Sales and service division:										
Current				37,493	—6,321	35,831	—67,003			
Security investment			104,775	—104,775						
Total separately operated divisions			104,775	—67,282	—6,321	35,831	—67,003			
Total Trans-Texas			104,785	—67,282	—5,820	36,463	—66,413	—178	—59	1,496
Trans World Airways, Inc.: Affiliates:										
New York Airport Terminal, Inc.:										
Current	\$2,000	\$3,000				—1,000	752		2,000	6,752
Security investment	250									250
Total	2,250	3,000				—1,000	752		2,000	7,002
New Mexico Airport Corp.:										
Current	35,000	85,000	4,792	—59,692	—37,894	—24,920	1,681	9,868	53,988	67,823
Security investment	3,523									3,523
Total	38,523	85,000	4,792	—59,692	—37,894	—24,920	1,681	9,868	53,988	71,346
Aeronautical Radio, Inc.:										
Current	3,081	5,450	1,094	—166	—1,778	1,618	7,566	12,003	—10,995	17,873
Security investment	10,390	32,010								42,400
Total	13,471	37,460	1,094	—166	—1,778	1,618	7,566	12,003	—10,995	60,273
Airlines Terminal, Inc.:										
Current	4,000		—4,000							
Security investment	10		—10							
Total	4,010		—4,010							
Chicago Airlines ticket office:										
Current	450		—450							
Security investment	56		—56							
Total	506		—506							
Air Cargo, Inc.:										
Current					2,587	—2,587		173	—105	68
Security investment	2,000			8,000						10,000
Total	2,000			8,000	2,587	—2,587		173	—105	10,068
Marquette Airlines, Inc.: Security investment	313,333		—313,333							
Airlines Clearing House:										
Current	500				—500	500	—400			100
Security investment	501					—500				1
Total	1,001				—500		—400			101
International Aeradio, Ltd.: Security investment				403					—123	280
Airport Ticket Association Corp.:										
Current					250					250
Security investment					75					75
Total					325					325
Societe Internationale de Tele-Communications Aeronautiques:										
Current					2,476	—890			—1,586	
Security investment					633		220	12	15	880
Total					3,109	—890	220	12	—1,571	880
East Side Airlines Terminal Corp.:										
Current						4,800	4,200		30,899	39,899
Security investment						15,000				15,000
Total						19,800	4,200		30,899	54,899
Transcontinental & Western Air, Inc.: Security investment						1,000				1,000
Trans World Airlines de Mexico, S. A. C. V.:										
Current						2,780	30	1,606	659	5,075
Security investment						2,849	46	—5		2,890
Total						5,629	76	1,601	659	7,965
Airlines personnel relations conference: Current							1,800			1,800
West Side Airline Terminal, Inc.: Security investment							1,000			1,000
Airlines ticket office, Detroit: Current									955	955
Airlines ticket office: Current	1,260	—1,260								
United States Capital Airlines: Current	550	—550								

Changes in intercompany account balances between air carriers and affiliated companies and separately operated divisions, for period Dec. 31, 1945, through Dec. 31, 1953—Continued

Carrier and name of affiliate or separately operated division	Balance, Dec. 31, 1945	Net additions or deductions (—)								Balance, Dec. 31, 1953
		1946	1947	1948	1949	1950	1951	1952	1953	
Trans World Airways Inc.: Affiliates—Con.										
Consolidated Airlines Ticket Office: Current		\$750	\$807	—\$359	—\$330	\$674	—\$614	—\$128	\$239	\$1,039
Airlines Terminal Corp.: Security investment		80,300			—80,300					
Air Transport Association: Current			412	—126	—286	—62	1,491	—95	—1,003	331
Airlines National Terminal Service:										
Current			25,817	—23,121	—2,696					
Security investment					40,752					40,752
Total			25,817	—23,121	38,056					40,752
TWA Agency, Ltd.: Current			108,327	—108,327						
International Air Transport Association: Current			1,000							1,000
Central Air Terminal, Inc.:										
Current			9,225	—1,575	—3,575	—1,575	—2,000			500
Security investment			10							10
Total			9,235	—1,575	—3,575	—1,575	—2,000			510
Combined Airlines Ticket Office (Evanston): Current									2,615	2,615
Total, TWA	\$376,904	204,700	—166,365	—184,963	—80,586	—2,313	15,772	23,434	77,558	264,141
West Coast Airlines, Inc.: Affiliates:										
Air Cargo, Inc.: Security investment						220				220
Aeronautical Radio, Inc.:										
Current								1,190	—202	988
Security investment							1,234	1,266		2,500
Total							1,234	2,456	—202	3,488
Empire Air Lines, Inc.: Security investment								1,756	876	2,632
Total, West Coast						220	1,234	4,212	674	6,340
Wien Alaska Airlines, Inc.: Affiliate: Fairbanks Aeronautical Radio Co., Inc.: Security investment				1,695						1,695

Source: Carriers' reports to CAB on Forms 41, 2380, and 2780.

Mr. DOUGLAS. Mr. President, on page 14 of the tabulation it will be found that the Pan American incurred a deficit of \$2,530,000 on Intercontinental Hotels Corp. for 1953. The record seems to indicate that this became an expenditure of Pan American. Therefore, it entered into the general financial statement of Pan American and thus became a matter for affecting subsidy by our Government and by our taxpayers.

I have asked that this material be placed in the RECORD so that all Senators and the public may have an opportunity to read it tomorrow morning in the CONGRESSIONAL RECORD, and so that our debate of tomorrow may be somewhat more intelligent.

I should like to remark that what seems to be happening is that we are subsidizing Pan American, which in turn is subsidizing its wholly owned hotel corporation.

LUXURY HOTELS ARE NOT PROPER OBJECTS OF SUBSIDY

Among my papers before me I have a multicolored pamphlet which is distributed to potential customers of both Pan American and its wholly owned subsidiary, Intercontinental Hotels Corp. I wish I could describe all the eloquence which is expressed in connection with the luxurious nature of these hotels, for which we are asked to appropriate, indirectly, subsidies at the expense of the public. I should like to refer first to the Hotel Grande, at Belem, Brazil, and quote from the Pan American pamphlet:

The spacious guest rooms reflect the magnificence of the days of the Amazon throne, yet incorporate every modern facility for comfort and repose, with such features as tile baths, handsome appointments, and deeply comfortable beds.

It is very consoling, Mr. President, that we are able to afford these high-class accommodations on the coast of Brazil, but it is somewhat disconcerting to find that, apparently, American taxpayers are being asked to pay indirectly for part of the expense of them.

The Comptroller General has informed me, under date of April 22, 1955, that this hotel is owned by Pan American.

Let me turn the page to a description of the Hotel Tequendama, in Bogota, Columbia, where, we are shown, there is a magnificent kidney-shaped swimming pool surrounded by cabanas where people may sip their South American drinks in comfort. Also, let us not forget the Hotel Reforma, in Mexico City, which, the advertisement says "is served by spotless kitchens, an international staff and the wine cellar offers a fine assortment of carefully selected vintages."

This hotel is entirely owned by the Intercontinental Hotels Corp., which, in turn, is owned by Pan American.

The headquarters of the Intercontinental Hotels Corp. is in the Chrysler Building, New York City, the same building which houses Pan American World Airways.

Mr. President, I ask unanimous consent to insert in the RECORD at this point

in my remarks a list of the officers and directors of the Intercontinental Hotels Corp.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

INTERCONTINENTAL HOTELS CORP., CHRYSLER BUILDING, New York, N. Y.

Wallace Whitaker, chairman of the board; Byron E. Calhoun, president; Oscar G. Balz, vice president; S. J. Roll, vice president; Peter Grimm, vice president; Robert G. Ferguson, treasurer; H. Preston Morris, secretary; R. P. Monson, assistant treasurer; John S. Woodridge, comptroller; James E. Maguire, assistant comptroller; J. Macy, assistant secretary.

Directors: Erwin Balluder, Harold M. Bixby, Byron E. Calhoun, Harold E. Grey, Peter Grimm, Wilbur L. Morrison, Wallace S. Whitaker, John S. Woodridge, Clarence M. Young.

Mr. DOUGLAS. Mr. President, I find that the same man, John S. Woodridge, controller of Pan American, is also controller of Intercontinental Hotels Corp.

INTEREST-FREE LOAN TO HOTEL SUBSIDIARY

I think the evidence will show that on the 14th of July, 1953, Pan American advanced \$2 million to Intercontinental Hotels Corp. By a letter on January 21, 1954, the controller of Pan American Airways informed the Intercontinental Hotels Corp. that this \$2 million advance would not bear interest. This act of generosity was accomplished by the same man, writing a letter from himself in one capacity to himself in another capacity.

The foregoing interest on this single advance of Pan American to its hotels amounts to \$80,000 a year at 4 percent, an item which we are covering through the subsidies.

I now refer to the Hotel del Prado, Barranquilla, Colombia, the Hotel del Lago, Maracaibo, Venezuela, the Victoria Plaza, in Montevideo, said to contain "400 beautifully decorated rooms, all with private bath, many that convert from luxurious sitting rooms by day and a penthouse with terrace and garden." Also, the Hotel Carrera in Santiago, Chile, featuring the Robinson Crusoe Bar.

I am necessarily describing these features second hand, because I have never been able to pay the freight to visit in person these hotels.

The hotels which I have enumerated are all in the high-priced luxury class, which the average citizen cannot afford, and only the wealthy can. It is a curious sort of enterprise to be the beneficiary, even indirectly, of money provided at the expense of the American people.

In all seriousness, I suggest we put a stop to this sort of thing. If we do not, there will be no end to it. If luxury hotels are allowed because of some indirect connection with persons flying on an airline, why not include distilleries because the airline serves drinks to its passengers?

Mr. President, there are a number of unanswered questions concerning this hotel subsidiary of Pan American. In the first place, the United States Government has no business putting public money, directly or indirectly, into the hotel business. Those Americans who operate hotels in competition with this subsidiary of Pan American would have a very legitimate protest, if they knew what was going on, that these airline

subsidies were resulting in unfair competition with their hotel business.

Second, and this is very curious, why, if other Americans can make a profit in the hotel business without benefit of airline subsidies, does not Pan American make a profit on its hotel chain? Why is more money flowing from Pan American to Intercontinental Hotels than is coming back the other way? What is this hotel subsidiary doing with the money it gets from Pan American?

NO PROPER AUDIT OF PAN-AMERICAN SUBSIDIARIES

In 1954 the House Appropriations Committee had an investigation made, the full details of which are not available, but the gentleman from New York, Mr. Rooney, asked this question of Mr. Gurney—I am now quoting from the House investigative report:

Mr. ROONEY. What do you have to say about this statement?

Most of the subsidies on Pan American have never been properly audited by CAB. A good example is their subsidiary, the Intercontinental Hotels Corp.

Mr. Gurney replied:

That is a correct statement in that those subsidiaries have not been audited.

The House Appropriations Committee concluded in House Report 207, pages 6 and 7:

A report from the investigative staff of this committee dated December 20, 1954, contained the following:

"The survey indicates that the Civil Aeronautics Board does not have accurate facts or figures regarding Pan American operations. Most of the subsidiaries have never been properly audited and some not at all, and there has not been insistence that the operations of the entire system be treated as an entity, as required by a recent Supreme Court decision. If corrective action were taken, substantial cuts in subsidy should result."

That was one of the reasons why the House committee reduced the subsidy to airlines.

LARGE TAX ALLOWANCES MADE TO SOME AIRLINES

Mr. President, that is the first item about which I am very critical. The second item is the fact that, apparently, CAB has been paying the income taxes of a number of airlines, and this has been particularly evident in the case of Pan American.

I wish to speak very carefully now. I believe there is information extant which shows the extent of the income taxes which have been paid by the Government in the accounts of these airlines. I believe the copy I now hold in my hand is an authentic copy of this fundamental document. Due to certain developments, it is not quite certain that what I now hold can be described as the official report. I can only say that to the best of my knowledge and belief it is a correct copy of the official report on allowances for Federal income taxes and mail rates for the calendar years 1946 through 1953.

Mr. President, I ask unanimous consent to insert this document in the RECORD with the understanding that if any Senator who is in possession of the original raises an objection before the CONGRESSIONAL RECORD goes to print tonight, I shall withdraw the document from the RECORD, because I do not wish to sponsor any material of which I do not have authorized possession, and which Senators who do have authorized possession do not wish to have published.

I do not want to question the good faith of any Senator in this matter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Allowances for Federal income taxes in final mail rates, calendar years 1946-53

DOMESTIC TRUNK LINES, INTERNATIONAL, OVERSEAS, AND TERRITORIAL AIR CARRIERS

	1946	1947	1948	1949	1950	1951	1952	1953
1. American Airlines, Inc.: Domestic.....	\$159,083	(1)	(1)	(1)	(1)	\$336,688	\$381,286	\$394,977
International.....	(2)	\$2,117	\$457	\$5,000	\$52,500	3,621	3,939	4,223
2. (a) Braniff Airways, Inc.: Domestic.....	32,602	217,000	337,000	377,000	377,000	291,096	37,258	40,661
International (began operations June 4, 1948).....	(3)	(3)	(4)	(4)	(4)	(4)	(4)	(4)
(b) Mid-Continent Airlines, Inc. (merged with Braniff Airways Inc. Aug. 16, 1952).....	21,958	29,919	76,212	95,000	108,426	208,712	195,622	(2)
3. Capital Airlines, Inc. (changed from Pennsylvania-Central Airlines Corp. June 22, 1948).....	14,263	98,308	101,612	189,000	189,000	153,911	42,143	56,436
4. Caribbean-Atlantic Airlines, Inc.....	3,275	5,392	8,046	1,168	0	0	0	0
5. (a) Delta Airlines, Inc. (changed from Delta Air Corp. Feb. 13, 1946): Domestic.....	16,751	98,654	281,360	280,952	280,952	221,707	42,728	(4)
International (operations began May 1, 1953).....	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(4)
(b) Chicago and Southern Air Lines, Inc. (merged with Delta Airlines, Inc. May 1, 1953): Domestic.....	148,580	148,580	206,762	193,801	193,801	263,179	469,000	154,207
International (began operations Nov. 1, 1946).....	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
6. Colonial Airlines, Inc.: Domestic.....	20,879	0	0	0	0	0	0	0
International (began operations Aug. 1, 1947).....	(3)	12,004	9,340	0	0	0	0	0
7. Continental Air Lines, Inc.....	48,041	60,511	66,578	110,602	140,846	150,793	180,300	180,300
8. Eastern Air Lines, Inc.: Domestic.....	69,431	(1)	(1)	(1)	(1)	123,284	126,248	132,485
International (began operations Sept. 9, 1946).....	223	668	34,814	34,289	50,328	9,111	10,519	14,182
9. Hawaiian Airlines, Ltd.....	489	766	1,031	1,018	0	88,123	176,255	(4)
10. National Airlines, Inc.: Domestic.....	34,550	(4)	(4)	(4)	(4)	(4)	30,100	34,691
International (began operations Dec. 15, 1946).....	8	154	(4)	(4)	(4)	(4)	343	51,278
11. Northeast Airlines, Inc.....	91,495	32,007	0	211,745	115,900	0	226,612	380,319
12. Northwest Airlines, Inc.: Domestic.....	42,542	45,210	0	0	0	(4)	68,327	73,502
International (began operations Sept. 1, 1946).....	241	0	0	0	0	(4)	652,039	929,061
13. Pan American-Grace Airways, Inc.....	108,350	7,090	2,691	0	191,000	262,156	441,000	441,000

Footnotes at end of table.

Allowances for Federal income taxes in final mail rates, calendar years 1946-53—Continued

DOMESTIC TRUNK LINES, INTERNATIONAL, OVERSEAS, AND TERRITORIAL AIR CARRIERS—Continued

	1946	1947	1948	1949	1950	1951	1952	1953
14. (a) Pan American World Airways, Inc. (changed from Pan American Airways, Inc., Jan. 3, 1950):								
Alaska division.....	0	0	0	0	\$128,000	\$203,500	\$197,000	\$197,000
Atlantic division.....	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Latin American division.....	\$38,927	\$59,643	\$14,397	0	1,279,000	620,000	(4)	3,388,000
Pacific division.....	0	638,000	850,000	0	1,716,000	1,845,000	1,845,000	1,853,000
(b) American Overseas Airlines, Inc. (merged with Pan American World Airways, Inc., Sept. 25, 1950).....	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
15. Trans-Pacific Airlines, Ltd. (began operations May 15, 1951).....	(2)	(2)	(2)	(2)	(2)	0	0	(4)
16. Trans World Airlines, Inc. (changed from Transeontinental & Western Air, Inc., May 17, 1950):								
Domestic.....	143,989	(4)	(4)	(4)	(4)	262,182	242,987	284,980
International.....	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
17. United Air Lines, Inc.:								
Domestic.....	211,815	(4)	(4)	(4)	(4)	400,333	460,452	441,063
International (began operations May 1, 1947).....	(4)	(4)	(4)	(4)	(4)	(4)	(4)	17,643
18. (a) Western Air Lines, Inc.:								
(b) Inland Air Lines, Inc. (merged with Western Air Lines, Inc., (Apr. 10, 1952).....	5,415	29,894	37,536	45,470	45,470	35,357	1,388	(4)
Total domestic trunklines, international, overseas, and territorial air carriers.....	1,212,907	1,435,917	2,027,836	1,801,045	5,124,223	5,678,308	5,859,044	9,054,437

LOCAL SERVICE AIR CARRIERS

	1946	1947	1948	1949	1950	1951	1952	1953
1. Allegheny Airlines, Inc. (changed from All American Airways, Inc., Feb. 10, 1953, which had been All American Aviation, Inc., until Nov. 12, 1948).....	\$17,435	\$25,826	\$7,533	0	0	0	0	0
2. Bonanza Air Lines, Inc. (began operations Dec. 19, 1949).....	(4)	(4)	(4)	0	0	0	0	0
3. Central Airlines, Inc. (began operations Sept. 15, 1949).....	(4)	(4)	(4)	0	0	0	0	0
4. Florida Airways, Inc. (operated Jan. 10, 1947, through Mar. 28, 1949).....	(4)	14,190	12,775	\$2,451	(4)	(4)	(4)	(4)
5. (a) Challenger Airlines Co. (began operations May 3, 1947; merged into Frontier Airlines, Inc., June 1, 1950).....	(4)	2,082	3,123	521	0	(4)	(4)	(4)
(b) Monarch Air Lines, Inc. (began operations Nov. 27, 1946; merged into Frontier Airlines, Inc., June 1, 1950).....	1,707	20,476	20,476	21,429	\$5,357	(4)	(4)	(4)
(c) Frontier Airlines, Inc. (began operations June 1, 1950).....	(4)	(4)	(4)	(4)	0	0	\$67,446	\$73,577
6. Helicopter Air Service (began operations Aug. 20, 1949).....	(4)	(4)	(4)	6,996	19,053	\$17,208	11,734	11,734
7. Lake Central Airlines, Inc. (began operations Nov. 12, 1949; name changed from Turner Airlines, Inc., Nov. 24, 1950).....	(4)	(4)	(4)	0	0	0	0	0
8. Los Angeles Airways, Inc. (began operations Oct. 1, 1947).....	(4)	2,825	11,235	11,202	11,202	12,123	3,346	(4)
9. Mid-West Airlines, Inc. (operated Oct. 21, 1949, through May 15, 1952).....	(4)	(4)	(4)	0	0	0	0	(4)
10. Mohawk Airlines, Inc. (began operations Sept. 19, 1948 as Robinson Aviation, Inc.; changed to Robinson Airlines Corp. Nov. 9, 1949; and then to Mohawk Airlines Aug. 23, 1952).....	(4)	(4)	0	0	0	22,643	51,272	63,333
11. New York Airways, Inc. (began operations Oct. 15, 1952).....	(4)	(4)	(4)	(4)	(4)	(4)	0	0
12. North Central Airlines, Inc. (began operations Feb. 24, 1948, as Wisconsin Central Airlines, Inc.; changed to North Central Airlines, Inc. Dec. 16, 1952).....	(4)	(4)	0	0	0	(4)	(4)	(4)
13. Ozark Air Lines, Inc. (began operations Sept. 26, 1950).....	(4)	(4)	(4)	(4)	0	0	0	0
14. Parks Air Lines, Inc. (operated September 1950 only).....	(4)	(4)	(4)	(4)	0	(4)	(4)	(4)
15. Piedmont Aviation, Inc. (began operations Feb. 20, 1948).....	(4)	(4)	11,082	13,298	51,703	53,559	82,138	(4)
16. Pioneer Air Lines, Inc. (changed from Essair, Inc., June 17, 1946).....	9,145	38,342	44,861	23,008	0	0	0	0
17. Southern Airways, Inc. (began operations June 10, 1949).....	(4)	(4)	0	0	0	0	0	0
18. Southwest Airways Co. (began operations Dec. 2, 1946).....	2,523	30,282	28,930	28,480	38,986	56,556	91,261	(4)
19. Trans-Texas Airways (began operations Oct. 11, 1947).....	(4)	3,786	15,140	15,140	29,424	39,626	39,626	(4)
20. (a) West Coast Airlines, Inc., (began operations Dec. 5, 1946).....	1,690	20,278	20,016	19,230	25,700	25,700	35,512	(4)
(b) Empire Air Lines, Inc. (began operations Sept. 28, 1946; merged with West Coast Airlines, Inc., Aug. 1, 1952).....	4,807	19,228	3,205	5,778	23,111	23,111	13,481	(4)
21. E. W. Wiggins Airways, Inc. (operated Sept. 19, 1949, through June 30, 1953).....	(4)	(4)	(4)	0	0	0	0	0
Total local service air carriers and helicopter operators.....	37,307	177,315	178,376	147,533	204,536	250,526	395,816	148,644

ALASKAN AIR CARRIERS

	1946	1947	1948	1949	1950	1951	1952	1953
1. Alaska Airlines, Inc.:								
States-Alaska (operations began Aug. 17, 1951).....	(4)	(4)	(4)	(4)	(4)	(4)	(4)	0
Intra-Alaska.....	\$33,370	(4)	(4)	(4)	(4)	(4)	(4)	0
2. Alaska Coastal Airlines (copartnership consisting of Alaska Air Transport, Inc., and Marine Airways Corp.; operations began June 9, 1947).....	(4)	\$1,629	\$2,890	\$2,609	\$2,609	\$2,609	\$8,442	\$8,442
3. (a) Lon Brennan Air Service (Edward A. Brennan, an individual, operated June 20, 1950, through Jan. 11, 1951).....	(4)	(4)	(4)	(4)	264	15	(4)	(4)
(b) Byers Airways, Inc. (began operations Jan. 12, 1951, as Byers Airways, a partnership consisting of Robert Dale Byers and Gladys Byers. Changed to corporation Dec. 10, 1953).....	(4)	(4)	(4)	(4)	(4)	7,956	4,616	1,097
4. Christensen Air Service (Hakon Christensen, an individual, operated Mar. 25, 1952, through July 6, 1952).....	(4)	(4)	(4)	(4)	(4)	(4)	11	(4)
5. Cordova Airlines, Inc. (changed from Cordova Air Service, Inc., Feb. 26, 1953).....	1,057	1,057	1,057	1,057	1,057	1,058	5,383	5,383
6. Ellis Air Lines (a coporation, began mail service June 9, 1947).....	(4)	4,692	8,353	7,519	7,519	7,519	26,564	26,564
7. Northern Consolidated Airlines, Inc. (name changed from Northern Airways, a partnership consisting of Frank V. and Hazel M. Pollack and Terrence W. McDonald, Dec. 1, 1947).....	(4)	(4)	22,972	20,675	20,675	20,675	28,146	35,618
8. Pacific Northern Airlines, Inc. (changed from Pacific Northern Airlines, a partnership consisting of Arthur G. and Letha M. Woodley and Mary E. Diamond, Aug. 1, 1947).....	11,146	11,146	11,146	10,031	10,031	10,032	53,357	53,357
9. Reeve Aleutian Airways, Inc. (began operations Apr. 8, 1948, as Reeve Airways, consisting of Robert O. Reeve, an individual. Changed to corporation Apr. 2, 1951).....	(4)	(4)	8,039	9,928	9,929	9,929	7,553	5,179
10. Wien Alaska Airlines, Inc.:	21,326	21,326	21,326	19,193	19,193	19,193	22,007	13,470
Total Alaskan air carriers.....	66,899	39,850	75,792	71,012	71,277	78,986	156,079	149,110

Footnotes at end of table.

Allowances for Federal income taxes in final mail rates, calendar years 1946-53—Continued

SUMMARY

	1946	1947	1948	1949	1950	1951	1952	1953
I. Domestic trunk lines, international, overseas, and territorial air carriers.....	\$1,212,907	\$1,485,917	\$2,027,836	\$1,801,045	\$5,124,223	\$5,678,308	\$5,859,044	\$9,054,437
II. Local service air carriers and helicopter operators.....	37,307	177,315	178,376	147,533	204,536	250,526	395,816	148,644
III. Alaskan air carriers.....	66,899	39,850	75,792	71,012	71,277	78,986	156,079	149,110
Total, all carriers.....	1,317,113	1,703,082	2,282,004	2,019,590	5,400,036	6,007,820	6,410,939	9,352,191

¹ For detail as to these years, see accompanying memorandum.² Included with domestic.³ Indicates no operation conducted during the particular year, and no mail rate established by Board.⁴ Indicates rate is temporary, and no final rate established for all or part of such year, as of June 15, 1954.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. Certainly.

Mr. HOLLAND. Does the Senator from Illinois mean to have the Senate understand that some Senator or Senators have possession of the original of the document which the Senator from Illinois has just described?

Mr. DOUGLAS. That is my understanding.

Mr. HOLLAND. In order that the matter might be crystal clear, I wish that the Senator from Illinois would be frank enough to state names and give facts, so that Senators will know what the situation is to which the Senator from Illinois is adverting.

Mr. DOUGLAS. There is some doubt as to who now possesses, or has title to—perhaps that is a better phrase—this document. I do not wish to decide that question. I simply say that I am not so much interested in the question of who has the title to the document; I am more interested in the substantive question as to who owed the income taxes in the past, for which the CAB has made payment. And I am interested in making that information available to the Senate.

I should like to shift the discussion away from the matter as to who has title to the document, to the question of what the document itself discloses, subject always to the reservation that I have a photostatic copy of what purports to be the original, and I have been around long enough to know that sometimes photostatic copies are not completely accurate.

Mr. HOLLAND. Mr. President, will the Senator further yield?

Mr. DOUGLAS. Certainly.

Mr. HOLLAND. Will the Senator from Illinois be sufficiently candid to state for the RECORD the source of his document, so that the Senate may at least have some opportunity to know something about its authenticity?

Mr. DOUGLAS. It is headed "Allowances for Federal Income Taxes in Final Mail Rates, Calendar Years 1946-53," which I believe was submitted by the Civil Aeronautics Board in June 1954, and which was not at any time, to my knowledge, marked "classified."

Mr. HOLLAND. The Senator has not answered the question—perhaps he does not care to do so—as to the source of the document which he offers for the RECORD.

Mr. DOUGLAS. I think it comes from the Civil Aeronautics Board.

Mr. HOLLAND. Did it come from CAA to the Senator from Illinois?

Mr. DOUGLAS. No.

Mr. HOLLAND. From whom did the Senator from Illinois get it, if he does not mind saying?

Mr. DOUGLAS. I should prefer not to discuss that.

Mr. HOLLAND. Will the Senator be good enough to state to whom the report went from the Civil Aeronautics Board?

Mr. DOUGLAS. It went to the Senator whose name I prefer at the moment not to give.

Mr. HOLLAND. The Senator from Illinois is not mentioning the Senator from Florida in that connection, is he?

Mr. DOUGLAS. No; I am not.

Mr. HOLLAND. What possible reason would there be why the Senator from Illinois could not communicate to his brethren in the Senate information which he seems to have and which he says indicates that some Senator received the report and presumably has possession of it?

Mr. DOUGLAS. The Senator from Florida is well aware of the fact, because I have been in telephonic conversation with him today, that I have been endeavoring to get an authorized release of the material. There have been difficulties in communication. I had not been able to obtain an authorized release, as of the moment in which I took the floor. Therefore, I am placing the document in the RECORD on the basis that it is accurate according to my best knowledge and belief, and that if any Senator objects to it, either on the ground that it is his property or that it is not an accurate photostat, he may do so, and I will see to it that the document is withdrawn from the RECORD before the time the RECORD goes to publication. I do not know how I could be any fairer or more careful than that.

Mr. HOLLAND. I know what the Senator from Illinois is adverting to, because I talked to him over the phone this morning. I advised the Senator from Illinois as to all the facts which were within my knowledge. I suggested that he get in touch directly with the Senator whom the Senator from Illinois said has the document—or had it in the past—and my understanding from the Senator from Illinois was that it was his intention to do so. Has the Senator from Illinois followed that course?

Mr. DOUGLAS. A preliminary attempt was made, but until I came on the floor I was engaged in helping to conduct a hearing on the Salk vaccine. The other Senator in question was presiding at another hearing, and I have not been able to obtain his formal consent.

Mr. HOLLAND. Mr. President, will the Senator yield for a further question?

Mr. DOUGLAS. Certainly.

Mr. HOLLAND. Is the Senate to understand that the Senator from Illinois intends to continue with his efforts to secure the release of the document by the unnamed Senator—who, he says, is not the Senator from Florida, but is another Senator—who had the document, or so the Senator from Illinois, at least, understands, so that the Senate may be advised as to what the result of that communication has been?

Mr. DOUGLAS. I certainly intend to do so.

Mr. HOLLAND. I thank the Senator from Illinois.

TAX ALLOWANCES TO PAN-AM TOTALED OVER \$9 MILLION

Mr. DOUGLAS. With the understanding that if this is not an accurate copy, it may later be stricken, I should like to point out that the record indicates that in 1953 Pan American World Airways, Inc., was allowed \$1,853,000 as allowance for taxes to be paid by the Pacific division; \$3,888,000 for taxes paid on the Latin American division; and \$197,000 for taxes paid on the Alaska division.

Taxes were paid on the Atlantic division, and there is good reason to believe that the amount of tax allowance proposed by CAB for the Pan American Atlantic division is \$3,892,000.

In the document which I hold, the symbol "T", which is placed opposite their Atlantic division, as I understand it, refers to a temporary rate granted to take account of the tax, with the understanding that when the proper amount was determined, some money might be recaptured.

We therefore have, for a certainty, \$5,400,000 in income taxes of Pan American assumed by CAB in 1953, and a temporary rate granted of approximately \$3,900,000 more for the Atlantic division, making a probable total of \$9.3 million.

I wish to emphasize that that was for the calendar year 1953, but there is every reason to believe that this practice, long established, is still being continued, and that it enters into the item of subsidies which are being requested for the fiscal year 1955-56.

I do not believe the Federal Government should make a practice of paying income taxes for its subsidized lines.

CONGRESS IS NOT OBLIGATED TO SUBSIDIZE AIR- LINES' TAX PAYMENTS

I now wish to submit for the RECORD a memorandum which has been submitted to me by Mr. James P. Radigan, Jr., senior specialist in American law, of the Library of Congress Legislative Refer-

ence Service, to whom I addressed the question:

Is Congress obligated to appropriate subsidies to enable the Civil Aeronautics Board to provide allowances to carriers to pay their Federal income taxes?

I now read from the report of Mr. Radigan:

There is no obligation on the part of Congress to appropriate subsidies to be granted air carriers to enable them to pay their Federal income taxes.

To assume the creation of such an obligation would require disregarding the results of Parliament's long struggle with the Crown for control of the purse strings and surrendering one of the prohibitions of article I, section 9 of the United States Constitution, viz, the restriction upon the disbursing power of the executive department carried in clause 7 of said section. * * *

The projection of the authority to provide subsidies granted under the terms of section 406 of the Civil Aeronautics Act of 1938 * * * across the separation of powers barrier, by transposing such authority into a delegation of plenary power to the Civil Aeronautics Board, to require the Congress to appropriate all sums subjectively determined by the Board as needed by air carriers to enable them to develop, fails to consider the realities involved in arriving at the estimates of subsidies.

There are certain other passages which I shall put in the RECORD, but which I shall omit reading. It concludes as follows:

Granting arguendo that air carriers are entitled to reasonable compensation for services performed, it does not follow that the Congress is obligated to appropriate the subsidies estimated as needed for estimated future service.

Today's estimates of tomorrow's subsidies are not today's obligations for yesterday's subsidies.

Mr. President, I ask unanimous consent, if it has not already been given, that the entire memorandum be printed in the body of the RECORD at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
Washington, D. C., June 14, 1955.

To: Hon. PAUL H. DOUGLAS.

From: James P. Radigan, Jr., senior specialist in American law.

Subject: Is Congress obligated to appropriate subsidies to enable the Civil Aeronautics Board to provide allowances to carriers to pay their Federal income taxes?

There is no obligation on the part of the Congress to appropriate subsidies to be granted air carriers to enable them to pay their Federal income taxes.

To assume the creation of such an obligation would require disregarding the results of Parliament's long struggle with the Crown for control of the purse strings and surrendering one of the prohibitions of article I, section 9 of the United States Constitution, viz, the restriction upon the disbursing power of the executive department carried in clause 7 of said section. See *Cincinnati Soap Co. v. United States* ((1937) 301 U. S. 308).

The projection of the authority to provide subsidies granted under the terms of section 406 of the Civil Aeronautics Act of 1938 (52 Stat. 998; 49 U. S. C. 486) across the separation of powers barrier, by transposing such authority into a delegation of plenary power to the Civil Aeronautics Board, to require the Congress to appropriate all sums sub-

jectively determined by the Board as needed by air carriers to enable them to develop, fails to consider the realities involved in arriving at the estimates of subsidies.

The estimates for subsidies submitted by the Civil Aeronautics Board are composed of the amounts estimated as needed in the coming year by the carriers to enable them to develop to the extent required for the commerce of the United States, the postal service, and the national defense, and the amounts needed to adjust upward previously granted subsidies.

It is certainly ingenious rationalization of the factual situation and the applicable law to allege that the part of estimates requested 1 year for subsidy appropriations for the next year is equivalent to a request for payment of obligations for the cost of transporting mail under contract. How could there possibly be a fixed amount of obligations to pay when the services have not been rendered?

It certainly requires a plethora of legal talents to transform into fifth amendment just compensation obligations that part of the estimates for subsidy appropriation requested for supplemental payments for mail already transported under an established rate.

If the Civil Aeronautics Board has no authority on the basis of the carriers' needs to make rates retroactive past the date of the filing of the petition for the establishment thereof, *Transcontinental & Western Air, Inc. v. Civil Aeronautics Board* ((1949) 336 U. S. 601), a fortiori, it has no right to obligate the Congress to appropriate all amounts of subsidies it subjectively determines the carriers need. If no mandamus or other legal remedy lies against any officer of the Treasury Department on a claim against the United States where no appropriation to pay it has been made, *Reeside v. Walker* ((1850) 11 How. 272), a fortiori, the Civil Aeronautics Board cannot obligate the Congress to appropriate subsidies. The absolute control of the moneys of the United States is in Congress, and Congress is responsible for its exercise of this great power only to the people. *Hart's Case* ((1880) 16 Ct. Cls. 459, 484, affirmed 118 U. S. 62). An appropriation of money by Congress for a specific object is an implied authority for the President to do the thing, provided it can be done within the limits of the appropriations (6 Op. Atty. Gen. 26 (1853)). Nothing more than the right to include subsidies within the mail rate and within the appropriations therefore is granted.

The foundation upon which the air carrier subsidy edifice has been erected is the so-called need clause of the second sentence of section 406 (b) of the Civil Aeronautics Act of 1938 (49 U. S. C. 486). That the Congress did not expressly delegate its exclusive basic appropriating powers to the Civil Aeronautics Board by the terms of this provision is beyond question. To contend that Congress impliedly delegated the power, which must be contended to support the thesis of obligatory appropriations, requires a "dreamed-up" legislative intent for section 406, which, to say the least, does not appear from the background circumstances which brought the problem before the Congress or from the legislative history of the enactment that is discoverable from the committee reports and the debate.

A statute should not be construed as making an appropriation unless the language is sufficiently explicit to clearly justify it; and authority to use public moneys shall not rise by inference without very clear terms requiring it (18 Op. Atty. Gen. 174, 176 (1885)). We do not have such explicit or clear language in section 406.

If this section does, in effect, delegate the appropriating power of Congress to the Civil Aeronautics Board, as is contended by the proponents of obligatory appropriations, then it is probably unconstitutional. Congress has

the exclusive power to appropriate Federal funds, *Ohio v. United States Civil Service Commission* ((1946) 65 F. Supp. 776); *Neustein v. Mitchell* ((1943) 52 F. Supp. 531); and such legislative power may not be delegated. *Marshall Field v. Clark* ((1892) 143 U. S. 649); *Panama Refining Co. v. Ryan* ((1935) 293 U. S. 388). It is for Congress, proceeding under the Constitution, and not for the Civil Aeronautics Board, to say what amount may be drawn from the Treasury in pursuance of an appropriation. *Hooe v. United States* ((1910) 218 U. S. 322). It is essential to the successful working of our government that the persons entrusted with powers in one branch shall not be permitted to enroach upon the powers confided to another branch, but that each shall, by the law of its creation, be limited to the exercise of the powers appropriate to its own branch and to no other. *Kilbourn v. Thompson* ((1880) 103 U. S. 168).

Another ground upon which the proponents of the theory that the Congress is obligated to appropriate subsidies estimated by the Civil Aeronautics Board as required by air carriers, seems to emanate from the mandatory duties imposed upon the Postmaster General and the air carriers under the terms of the Civil Aeronautics Act. Granting arguendo that air carriers are entitled to reasonable compensation for services performed, it does not follow that the Congress is obligated to appropriate the subsidies estimated as needed for estimated future service.

Today's estimates of tomorrow's subsidies are not today's obligations for yesterday's subsidies.

FAILURE OF CAB TO IMPLEMENT SUPREME COURT DECISIONS OF FEBRUARY 1954

Mr. DOUGLAS. Mr. President, a third point is the fact that on the 1st of February 1954, the Supreme Court handed down two very basic decisions in the case of airline pay and airline subsidies. One decision consolidated two cases, namely the CAB against Summerfield and the Delta Air Lines against Summerfield. The other cases consolidated the suit of CAB against Summerfield on behalf of the Postmaster General, Western Air Lines; and Western Air Lines against the CAB, Summerfield, and so on.

The Court, in a unanimous opinion in these two cases, held that we should not judge the need of a carrier by the financial record of a given division or department of its operation, but that we should judge the financial ability of the carrier by its over-all status, taking into consideration all branches of its business, and consolidating the carrier in its entirety.

I wish to read, if I may, from those decisions. I read first from CAB against Summerfield and Delta Air Lines against Summerfield. The Court held:

The "need" of the carrier is measured by the entirety of its operations, not by the losses of one division or department.

In the other case the Court held:

We read the act as meaning that "the need" of the carrier which Congress has directed the Board to consider in fixing the subsidy rate is "the need" of the carrier as a whole.

Mr. President, those were two very fundamental decisions. As I understand, a great deal of money is involved in this issue, because in the past, payments have been made on the basis of losses involved in one division of operations which might be in the red, though

the company as a whole was very much in the black. I have reason to believe that the Solicitor of the Post Office Department has very recently stated that since none of the cases listed in the tabulation has been finally determined by the Board, the Department is unable to present any final results as to what has been done in these matters.

POSSIBLE CLAIMS MAY AGGREGATE \$50 MILLION

If this information is correct, and I believe it is, it would seem to indicate that the CAB, after 15 months, has not only not succeeded in getting back the \$654,000 involved in the original test case, but also have not proceeded against other carriers to whom similar payments were made in parallel cases.

Mr. President, I ask unanimous consent to insert the referenced tabulation at this point in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD as follows:

[From the CONGRESSIONAL RECORD of June 8, 1954, p. A4234]

REDUCING AIRMAIL SUBSIDIES

(Extension of remarks of Hon. HARLEY M. KILGORE, of West Virginia, in the Senate of the United States Tuesday, June 8, 1954)

Mr. KILGORE. Mr. President, I ask unanimous consent to have printed in the RECORD my exchange of correspondence with the Postmaster General concerning the amount of excess earnings of airmail contractors which could be applied under the offset principle of the Supreme Court decisions of February 1, 1954, in Summerfield against Civil Aeronautics Board, to reduce airline subsidy claims.

I note that in his letter of June 5 to me, Postmaster General Summerfield upholds the statement of Congressman GARY and the Senator from Massachusetts [Mr. KENNEDY] to the effect that the protests under the offset principle do total exactly \$35,034,000.

Furthermore, Mr. President, the Postmaster General notes in his letter that subsequent to the period referred to in the statements of Congressman GARY and the Senator from Massachusetts additional exhibits and other legal documents have come forward pointing to an additional \$15,764,000 which could be used to reduce airline subsidy claims.

That brings the total of disputed amounts to \$50,798,000, and I might note for the record, Mr. President, that these figures more than substantiate the suggestion of the distinguished junior Senator from Massachusetts [Mr. KENNEDY] that the airmail subsidy appropriations requested by the Civil Aeronautics Board could well be reduced by \$50 million.

Mr. President, the letters which I desire to have printed in the RECORD are a copy of the letter of May 24, 1954, from me to Postmaster General Summerfield, and the letter of June 5, 1954, from Postmaster General Summerfield to me, together with a tabulation attached to the letter.

There being no objection, the letters and tabulation were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE, COMMITTEE ON APPROPRIATIONS,

May 24, 1954.

The Honorable ARTHUR E. SUMMERFIELD,
Postmaster General of the United
States, Washington, D. C.

DEAR GENERAL SUMMERFIELD: On page 2468 of the CONGRESSIONAL RECORD of March 3, 1954, appears a statement by Congressman GARY, who, as you know, occupies the same position in the House that I do in the Sen-

ate, namely, ranking minority member of the Treasury-Post Office Subcommittee of the Appropriations Committee.

At our hearings on the Civil Aeronautics Board's request for appropriation for airmail subsidies Congressman GARY's statement has been called into question by representatives of the Air Transport Association and the Civil Aeronautics Board. I would appreciate knowing from you whether the statement by Congressman GARY is correct, especially his itemization of various briefs, exceptions, and other legal documents filed by you totaling approximately \$35,034,000.

If the Congressman's statement is not correct, could you furnish me with the total figure of excess earnings of the airlines which, in the opinion expressed in your legal documents in the cases mentioned by the Congressman, could be applied under the offset principle of the Supreme Court to reduce airline subsidy claims.

It would also be appreciated if you could give us an idea concerning excess earnings to which the offset principle might be applicable to subsidy claims in periods subsequent to those covered in the documents mentioned by Congressman GARY.

Finally, it would be greatly appreciated if you could furnish me with a list of the airmail payments claimed by carriers, or proposed by CAB or its examiners, in the cases referred to by the Congressman, to which you have taken exception.

It would be appreciated if your reply could be received prior to consideration of the

appropriation bill, H. R. 8067, in the markup session of our subcommittee.

With best personal wishes, I remain,

Sincerely yours,

H. M. KILGORE.

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., June 5, 1954.

Hon. HARLEY M. KILGORE,

United States Senate.

DEAR SENATOR KILGORE: My staff informs me that the figure of \$35,034,000 does represent the totalization of claims previously asserted by the Department in those various proceedings before the Civil Aeronautics Board referred to in your letter of inquiry of May 24, 1954.

I am also informed that additional claims as to excess earnings have been or are being asserted by the Department in those same proceedings for other rate periods after more complete and detailed data are made available for analyses and presentation. These claims involve the past calendar year of 1953 in the case of Pan American World Airways and Trans-World Airlines, and the rate period commencing December 16, 1950, for Delta Air Lines, as successor in interest to Chicago & Southern Air Lines. Our assertions and the related airmail pay claims of the carriers, in accordance with your request, are set forth on the basis of presently available information in the attachment to this letter of reply.

Sincerely yours,

ARTHUR E. SUMMERFIELD,
Postmaster General.

	Total mail day claimed by car- rier or proposed in dockets (see footnotes)	Assertion by Post Office Department as referred in your letter	Additional asser- tions by Post Office Depart- ment on offset principle
Delta—Latin American operation rate periods:			
Nov. 1, 1946, through Dec. 15, 1950.....	¹ \$3,662,000	² \$654,000	³ \$200,000
Dec. 16, 1950, through Dec. 15, 1951.....	⁴ 1,855,000		⁵ 938,000
(The above 2 periods relate to Chicago & Southern and are involved in the Supreme Court case.)			
May 1, 1953, through Apr. 30, 1954.....	⁶ 792,000		⁷ 954,000
Western (Supreme Court case) rate period: May 1, 1944, through Dec. 31, 1948.....	⁸ 3,917,361	² 350,000	
Pan American—Atlantic rate period:			
Jan. 1, 1946, through Dec. 31, 1952.....	⁹ 71,089,000	5,015,000	
Jan. 1, 1953, through Dec. 31, 1953.....	⁹ 15,915,000		¹⁰ 1,800,000
TWA—International rate periods:			
Feb. 5, 1946, through Dec. 31, 1952.....	⁹ 54,698,000	12,158,000	
Jan. 1, 1953, through Dec. 31, 1953.....	⁹ 8,507,000		¹¹ 11,872,000
United—Hawaiian operation rate period: Apr. 30, 1947, through Aug. 7, 1952.....	¹² 14,595,503	15,857,000	
Braniff—Latin American operations rate periods:			
June 4, 1948, through Dec. 31, 1953.....	¹³ 11,867,000	1,000,000	
Jan. 1, 1954, through Dec. 31, 1954.....	¹⁴ 2,671,000		
Total.....	189,568,864	35,034,000	15,764,000
Total.....		50,798,000	

¹ CAB Order E-5793, Oct. 18, 1951, CAB Docket No. 2564; reviewed by Supreme Court.

² May be increased by tax benefits. In the case of Western, the Supreme Court decision referred to a profit of approximately \$350,000; Post Office's brief referred to a profit of \$447,000.

³ Additional assertion due to \$200,000 error in previous computations prepared by CAB rate staff.

⁴ CAB Statement of Tentative Findings and Conclusions, Order E-5385, May 18, 1951, CAB Docket No. 2564; later affirmed by CAB Order E-5793, see note 1 above.

⁵ Computed from carrier's domestic operation, reported net profit for the year 1951, CAB's recurrent reports; and carrier's domestic investment as recognized by Board in its order No. E-5869, Nov. 15, 1951, Docket No. 5144, for Chicago & Southern, domestic operations.

⁶ CAB Statement of Provisional Findings and Conclusions, E-7738, Sept. 21, 1953, CAB Docket No. 6610, Delta Latin American operations.

⁷ Postmaster General's Answer to Board's Order E-7738 of Sept. 21, 1953, CAB Docket No. 6610, see note 6 above.

⁸ CAB Order E-5782, Oct. 12, 1951, CAB Docket No. 2870 et al.; reviewed by Supreme Court.

⁹ Initial decision of examiner, Mar. 26, 1954, on the consolidated Transatlantic Final Mail Rate Case, CAB Docket No. 1706, et al.

¹⁰ The above figure computed from CAB's rate staff figures of excess profit of \$864,000 for Pan American's Pacific division for 1953, but increased for tax benefits; and without recognition of reported losses on Pan American's Alaska and Latin American divisions totaling a net of \$237,000 for the same year 1953.

¹¹ The above figure computed from CAB's rate staff figure of TWA's, domestic division, excess profit of \$5,700,000 for year 1953 but increased for tax benefits.

¹² CAB Docket No. 2913—United's claim, exhibit No. U (United)—3, p. 6, subject to subsequent modifications.

¹³ Braniff's reported break-even need, Latin American operation, for period June 4, 1948, through June 30, 1953, without additional claim for last half of 1953 and without further claims for return on investment and related tax allowances for the whole rate period of June 4, 1948, through Dec. 31, 1953.

¹⁴ CAB Statement of Provisional Findings and Conclusions, Order No. E-8354, May 19, 1954, CAB Docket No. 2886. Braniff's Latin American operation.

Mr. DOUGLAS. Mr. President, I would suggest, therefore, that we can recover money from the airlines by prosecuting these suits, and that if we prosecute the suits we may well find

that there will not be the need for the \$55 million subsidy which is suggested by the committee. The CAB would do well to prosecute these suits rather than come to us for more millions.

So, Mr. President, if my facts are correct, and I believe they are correct, it would seem to me highly advisable that we stick to the House figure of \$40 million.

There are other points which I might mention, and which may come up in the debate tomorrow. The airlines have furnished, at various times, particularly in response to questions last year by the Senator from West Virginia [Mr. KILGORE], information on the salaries of their officials, but I think the RECORD will show that, although they were asked for information on the expense accounts, these figures have not been furnished.

There are sundry other items which I think deserve some investigation.

In short, Mr. President, what we have here is a case of the Government being asked to subsidize those who need a subsidy the least, since an enormous amount of money is still being paid to airlines, which are quite prosperous.

I have before me what I believe to be the correct profit and loss statement of Pan American Airlines, showing that they had a net profit in 1953 before taxes of close to \$20 million, and after taxes of some \$9.4 million. That still left them over \$10 million. Mind you, Mr. President, this \$9.4 million in all probability has been reimbursed by the Government. So we are not dealing with an impecunious, hard-pressed airline.

I like to be careful in what I say, and not indulge in blanket or shotgun denunciations. If my information is correct, American Airlines gets a very small tax rebate in comparison with the volume of its business and total taxes; and TWA, Eastern, United, and Northwest Airlines are all right in that respect. I believe in bringing those facts out so that those lines which apparently have a good record in this matter are not lumped in with other lines about which perhaps questions may be raised.

ONE LARGE AIRLINE IS PRIMARY BENEFICIARY

Neither Eastern, American, nor United, referred to before, would receive any subsidies under the \$55 million proposition contained in H. R. 6367, as reported June 10, 1955, by the Senate Appropriations Committee, nor would TWA or Northwest Airlines, which are being taken off subsidy, nor would many others who receive only "service mail pay" and do not apply, as Pan Am does, for subsidies in the bill now before us.

The only "tax allowances" which all these other lines would receive would be relatively small amounts through the "service mail pay" appropriation of the Post Office Department, where the Post Office can intervene in protest against such tax allowances if it wants to, whereas the tax allowances for Pan Am are contained in the CAB airline subsidy appropriation bill, H. R. 6367, now before us, where, under plan 10, the Post Office can no longer intervene in opposition to these huge tax allowances. The policing function is left entirely up to Congress.

Under H. R. 6367, as reported by the committee, Pan American is the only large-size airline which would receive Federal income tax allowances, and between \$8 million and \$9 million per year

of tax allowances for Pan American is contained in this bill.

In addition, the tabulation shows a large number of air mail contractors who receive no Federal income tax allowance at all through their mail rate. For instance, the CAB tabulation shows that for 1953 only 3 out of 21 feeder, or local-service airlines, received any tax allowance at all, and for those 3 the average was only \$48,000 each.

And, of course, besides the air mail contractors listed in the CAB tabulation, there are a great many all-cargo, or coach-passenger, or air taxi lines in this country—about 2,400 in all—which receive neither mail pay nor subsidy nor Federal income tax allowance, although competing against those who do.

In short, Mr. President, the real tax allowance favors seem to be going to only one airline, Pan American.

Another interesting thing is that the granting of Federal income taxes to Pan American in large amounts—millions of dollars per year—is a phenomenon of fairly recent origin.

This is a very serious issue. We all know the political power of the particular group in question. We have felt its political power.

We talk a great deal about economy. There seems, however, to be a tendency to apply the paring knife only when any expenditure involving the poor or the weak is involved, but Congress, and the administration, go ahead and dish out the money in profusion for those groups which need it the least.

I understand the Senator from Delaware [Mr. WILLIAMS] may have certain things to say about other items in the bill. I shall not trespass upon what he has to say, except to say that anything the Senator from Delaware says on economy deserves the closest attention of Members on both sides of the aisle. Although the Senator from Delaware and I differ frequently on matters of public policy, I wish to pay tribute to him as one of the most effective defenders of the public purse we have in the Congress of the United States.

Mr. President, I have made this statement today merely in order that the RECORD may be more complete insofar as our proceedings on tomorrow are concerned, and so that the debate which will occur then may proceed on the basis of a sounder set of facts than would otherwise have been the case.

In conclusion, since perhaps curiosity may have been aroused by some of the rather mysterious statements I have made, in connection with my replies to the questions of the Senator from Florida, I wish to say again that I do not question the complete good faith and complete integrity of any Senator. We are dealing here with very delicate matters, and all of us are overworked, and it is difficult to establish contact. However, I felt that any information which I have and which I believe to be correct should not be withheld from the Senate, if it should turn out that no objection is made to its inclusion.

Finally, Mr. President, I ask unanimous consent that there be printed in the RECORD following my remarks cer-

tain clippings coming from informed writers on this subject.

There being no objection, the material referred to was ordered to be printed in the RECORD.

Mr. President, I yield the floor.

[From the Charleston Daily Mail of June 6, 1955]

KILGORE CHARGES CAB CUT BIG "MELON" IN AIRLINE TAX

(By Robert Allen)

WASHINGTON.—Now it is tax windfalls.

That's the latest melon-cutting in Government funds.

It was disclosed by Senator HARLEY KILGORE, Democrat, of West Virginia, chairman of the Judiciary Committee, at an Appropriations Committee meeting on the big airmail subsidies for the coming fiscal year.

The Civil Aeronautics Board asked \$63 million for this purpose, but the House slashed it to \$40 million. The airlines are trying to get the steep cut restored in the Senate Appropriations Committee. KILGORE has long fought these subsidies, and in continuing his battle told the committee about the airlines' tax windfall.

KILGORE gave the Appropriations Committee details of two cases in which the CAB not only provided airlines with Government funds to pay Government taxes, but gave them more money than their tax returns called for.

In one instance, the CAB overpaid an airline \$1,750,000 in excess tax subsidies.

"It is, of course, not possible for the average taxpayer to go to a Government bureau and say, 'Look here, I have to pay my income taxes; so please give me the money to do that,'" KILGORE told the committee. "But it happens right along in the case of the Civil Aeronautics Board and certain airlines. The CAB is not only allowing subsidies to airlines to enable them to pay their Federal taxes, but in some instances these allowances for taxes are more than what was paid into the Federal Treasury."

KILGORE asserted he has been unable to obtain from the CAB a list of these known tax-windfall cases.

"I'll certainly do my best to secure it," declared Rizley, former Republican Representative from Oklahoma.

KILGORE stressed the need for an effective CAB auditing system of airline subsidies. He pointed out that subsidy claims are not audited for several or more years. This extraordinary condition was disclosed during House Appropriations Committee hearings on the CAB's budget. Representative ALBERT THOMAS, Democrat, of Texas, chairman of that committee hearings on the CAB's budget, and other members sharply criticized Mulligan on this score. Later the full House Appropriations Committee, in effect, ordered the CAB to set up a comprehensive auditing system.

KILGORE urged the Senate committee to take similar action.

"I can see no reason," he said, "why subsidized airlines cannot do what everyone else in the country has to do and pay their own Federal taxes out of their own pocket. The time is long overdue when these claims should be closely and promptly audited. I think the Appropriations Committee should force such a change in policy. It is obvious that if Congress doesn't compel it the CAB will never do it."

NOTE.—Sportsmen throughout the country are closely watching what Congress does, if anything, about legislation to amend the Pittman-Robinson Act which imposes a special excise tax on hunting equipment for the restoration of wildlife. A total of \$13,600,000 has accumulated, and the money is supposed to be distributed to the States on a 75-25 matching basis. This is the first time since World War II that this long-pending problem is getting congressional attention.

[From the Charleston Daily Mail of May 26, 1955]

HOUSE PLANS FULL AUDIT OF ALL AIRLINE SUBSIDIES

(By Robert Allen)

WASHINGTON.—The House Appropriations Committee's \$23 million slash in airline subsidies is signally notable, but it's only part of this important development.

Equally significant was an unpublicized move by the committee.

This was to set the stage for a sweeping audit of these large subsidies which may result in their being slashed even more drastically next year.

Both House and Senate leaders are determinedly bent on that.

An ace up their sleeve is the virtually unknown fact that there has never been a complete audit of airline subsidies which have cost taxpayers hundreds of millions of dollars in recent years.

This extraordinary situation has prevailed despite numerous overpayments, mispayments and other inadvertencies.

These costly laxities were admitted by officials of the Civil Aeronautics Board under grilling by appropriations committeemen. The latter also disclosed that even what little auditing the CAB does of these subsidies, occurs several or more years after the money has been paid the airlines.

Exclaimed Representative ALBERT THOMAS (Democrat, of Texas), chairman of the subcommittee handling the matter, "That is outrageous. There isn't a private industry in the country which does business like that, and there is no reason why you should either."

It was the indignant subcommittee's findings that laid the ground for a full audit. The official report of the Appropriations Committee, in effect, orders that be done as follows:

"Substantial reductions can be made in these payments to air carriers during the next fiscal year if a careful and thorough audit of each claim is made, and if realistic practices in the handling of these claims are followed."

The committee has assurances of vigorous Senate support on this.

CRACKING DOWN

Most of the subcommittee's disclosures come from M. C. Mulligan, Secretary of the CAB, who got his key job under former Chairman Oswald Ryan, whom President Eisenhower replaced earlier this year.

Joining Representative THOMAS in the caustic questioning were Representatives JOHN F. SHELLEY (Democrat, of California); CLIFF CLEVINGER (Republican, of Ohio); and WALT HORAN (Republican, of Washington). Following are the highlights of their revealing interrogation:

Mr. THOMAS. You are not an auditor; you have no auditors, and yet you pay out from 90 to 98 percent of the claims just on their certificate. * * * That is an extremely serious defect in your system.

Mr. MULLIGAN. We make checks to see that the claims are correct.

Mr. THOMAS. Yes; then you tell us when and where a careful audit is made of these subsidies. You pay out 90 to 98 percent of the money without making an audit, but you say you check to see that the claims are correct. Who makes these checks and when?

Mr. MULLIGAN. It's made by the Audits Division as part of its overall audit of the carriers.

Mr. THOMAS. Some 2 years later; isn't that right?

Mr. MULLIGAN. Yes; possibly.

Mr. THOMAS. But when you pay out this money, you don't know whether there claims are 5 or 10 or 15 percent in error. You are depending on finding that out 2 or more years later in a post-audit.

Mr. HORAN. Why the 2-year wait?

Mr. THOMAS. They might as well wait 5 years. They've already paid out the money.

Mr. SHELLEY. What concerns me particularly is that you are paying these subsidies on a monthly basis and yet you don't get around to check and verify the airlines' claims until a couple of years later.

Mr. MULLIGAN. It is a fact that many of these carriers count on that monthly check. It's critical to them. Sometimes they need it to meet their payroll.

Mr. THOMAS. You touch me deeply.

[From the Lawrence (Mass.) Evening Tribune of June 7, 1955]

NATIONAL WHIRLIGIG

(By Ray Tucker)

OVERSEAS LINES TO OPERATE WITHOUT TAXPAYERS' SUBSIDY

WASHINGTON.—Only 28 years after Lindbergh's pioneering flight, America's great overseas airplane lines will operate without a subsidy from the taxpayers next year, save for the single exception of Pan American World Airways. It is an accomplishment of which President Eisenhower is extremely proud, although it was several hard-fighting Democrats who made possible this tremendous saving.

Despite the aviation lobby's protests, the insistence of the White House and Congress on cutting subsidy appropriations has not injured the companies. Pan American, for instance, has just filed with the Civil Aeronautics Board a report of \$44,600,000 revenue for 1955's first quarter, as against \$36,900,000 for the same period in 1954.

Nor has the congressional economy demand damaged Pan Am's ability to obtain new money from the bankers rather than from the taxpayers. It is, perhaps, the finest example of Eisenhower's insistence that private rather than public money underwrite commercial and industrial operations.

PAN AM'S BIG DEALS

Juan Trippe, Pan Am's president, has recently concluded a 25-year financing deal involving \$60 million. Together with an unpaid bank loan of \$43 million, the new credit will provide for additional aircraft costing \$110 million.

Thus, after tapping the public till for more than \$1 billion since World War II, America's great overseas air fleet, and there is none better, has won its wings.

However, Senator PAUL H. DOUGLAS, of Illinois, believes that Pan Am should be forced to reduce its expenditures and its drain on the taxpayers still further. Together with Senators KENNEDY, of Massachusetts; KILGORE, of West Virginia; and Representative ROONEY, of Brooklyn—all Democrats—the Illinois economist has carried the ant subsidy battle for Ike. But they have had strong White House support, in the face of a mad political lobby.

In a letter to Senator CARL HAYDEN of Arizona, chairman of the Senate Appropriations Committee, where the final subsidy struggle will be staged, DOUGLAS demands that Pan Am be required to make a full and honest audit of its luxury hotel losses in South America and elsewhere. Pan Am has been negotiating to buy Cuba's swankiest hostelry, the National, on the island's wonderful waterfront.

SWANK HOTELS

These hotels, which have golf courses, swimming pools, the best bars on the western continent and children's nurseries, are a distinct asset to Pan Am. They furnish an inducement to fly that line rather than its nonhotel competitors.

DOUGLAS first tried to get an accounting of Pan Am's hotel operations from the Civil Aeronautics Board, but he was informed that public disclosure of this information is not authorized by CAB. It is not authorized for

the sole reason that CAB has never made an audit of these nonaviation expenditures.

INFORMATION FROM UNITED STATES CONTROLLER

CAB justifies its failure to audit Pan Am's hotel books on the ground that it would be an invasion of friendly South American countries. DOUGLAS quickly disposed of that demurrer.

In his letter to Senator HAYDEN, Senator DOUGLAS declared that CAB had lied to Congress about Pan Am's hotel holdings. Whereas CAB said that Pan Am had only a 20-percent interest in the Intercontinental Hotels Corp., DOUGLAS learned from the United States Controller General that its ownership is 100 percent.

DOUGLAS also discovered that the parent airline and the hotel corporation have offices in the same building in New York City—the Chrysler Building.

Since Pan Am lost \$2,530,000 on its hotel operations in 1953, and now seeks expansion in this field, DOUGLAS insists on a deeper slash in Pan Am's subsidies. He points out that few taxpayers footing Pan Am's bill ever flew its lines or sank a putt or hoisted a highball at their luxury hostleries.

[From the East St. Louis Journal of June 6, 1955]

DOUGLAS RAAPS AIR SUBSIDY

(By David Barnett)

WASHINGTON.—Senator PAUL DOUGLAS, Democrat, of Illinois, says the American taxpayer apparently is being saddled with "such ventures as hotel chains and real-estate development companies" through the device of airline subsidies.

In a letter to Senator CARL HAYDEN, Democrat of Arizona, chairman of the Senate Appropriations Committee, Senator DOUGLAS said information he had obtained from the General Accounting Office and the Civil Aeronautics Board indicated the Government was subsidizing Pan American World Airways, Inc., which, "in turn is subsidizing its wholly owned hotel firm."

The letter asked that the Senate committee, now considering the appropriations for the CAB for the next fiscal year, cut the request of \$63 million for airline subsidies by 40 millions. The House already has chopped 23 million off the request.

Senator DOUGLAS said he was handicapped in presenting information to the committee about subsidiaries of subsidized airlines because "the report of the CAB, dated May 20, 1955, on the relationship between the most heavily subsidized airline, Pan American, and the largest of all the subsidiaries, the Intercontinental Hotels Corporation, is stamped: 'Public disclosure of this information not authorized by the CAB.'"

Intercontinental operates nine hotels in Bermuda and South America.

Senator DOUGLAS pointed out that last year the CAB informed the House Appropriations Committee that Pan American owned only about 20 percent of Intercontinental.

Earlier this year, Senator DOUGLAS said, "the board talked about the difficulties of invading friendly South American countries, to get the books of subsidiaries in which our airlines owned only a minority interest."

"The General Accounting Office informs me, however, that in this instance Pan American owns, not a minority interest of Intercontinental Hotels Corp., but a 100-percent interest, and further, that the headquarters of this hotel corporation are located in the same building, the Chrysler Building (in New York City), as the parent airline. Therefore, there seems to be no real obstacles to a complete Government audit of this hotel corporation and similar subsidies.

"According to a tabulation obtained from the CAB by Senator DOUGLAS, Pan American, in 1953, advanced \$2,530,063 more to its subsidiary, Intercontinental Hotels, than it received back.

"As you know, a man would be thrown off the public relief rolls immediately if he were found to own a valuable hotel, let alone a whole chain of them. Here we are confronted with the spectacle of an airline appealing to the Government for vast subsidies at the public expense, on the basis of its alleged need, while at the same time we find it owns a whole chain of luxury hotels and advances millions of dollars yearly on these hotels."

In determining airline subsidies, the CAB provides enough additional money to give the airline a reasonable profit on its investment.

According to the General Accounting Office, the payments to the subsidiaries are included in legitimate expenses of the airlines and thus are covered by the subsidy payments. The airlines' investments outside the field of air travel, however, are not included in the capital base used to determine the amount of reasonable profit.

The CAB has admitted that its auditing of the airlines' books could be improved. The Board asked this year for additional funds to enlarge its staff of auditors. The House permitted an increase of \$123,000 to strengthen the Board's field audit program.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

TRADE AGREEMENTS ACT OF 1955— NOTICE OF CONSIDERATION OF CONFERENCE REPORT

Mr. BYRD. Mr. President, I should like to announce that the conference report on the bill (H. R. 1) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, has been adopted by the House. It will be my purpose to call up the report for consideration in the Senate tomorrow, immediately following the morning hour.

AMERICAN ORE CARRIERS

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by me in regard to American ore carriers.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON, CHAIRMAN, SENATE INTERSTATE AND FOREIGN COMMERCE COMMITTEE AND SENATE MERCHANT MARINE & FISHERIES SUBCOMMITTEE

Everyone who recognizes the importance of American shipping and shipbuilding to our country's prosperity and security should give thought to the situation presently existing with regard to the increasing importations of iron and other ores.

According to figures compiled by the Journal of Commerce, it is estimated that a total of 2 million deadweight tonnage capacity will be required to handle the 50 million tons of iron ores that will be coming into the

United States annually within the next decade.

Of this total required capacity, the Journal statistics reveal, approximately 600,000 tons have been built since the end of World War II, with another 560,000 tons currently under construction or on order.

It is the more than 800,000 tons of additional ore-carrying capacity likely to be needed that I particularly have in mind now.

The economy of our country, and its continued security, require that a much more substantial portion of this ore than is now the case be carried in vessels under United States registry, manned by crews recruited in this country, and therefore wholly and assuredly at the Nation's service in event of sudden emergency.

And simple justice to the people of the United States, to the wage earners whose mass purchases make possible the vast production and earnings of the steel and other metal manufacturers and processors, requires that these projected ore carriers be constructed in United States shipyards and manned by American seamen and officers. The industries that prosper under the American system should not dodge their responsibilities to that system, and to the American people, simply to swell their corporate profits. Maintaining these strategic vessels under the American flag, with loyal American crews, will help to insure the American way of life against possible aggression.

The Office of Defense Mobilization, with which I have been in contact regarding this vital phase of industrial and maritime operation, in a tentative report dated April 20, 1955, apparently found some comfort in the fact that, during 1954, United States flag vessels carried 37.1 percent, or 5,505,100 tons of the total iron ore imports of 1954. Additionally, it cited the 22.4 percent of such ore imports carried by vessels of Panama, Norway, and Liberia during 1954 as being carried in "ships under our control."

In reply to further points raised by me in this connection with the Office of Defense Mobilization, I have just received from the United States Maritime Administration a communication which furnishes answers to the questions raised. Accompanying this communication is a full and complete report on 1954 imports of ores and minerals, which revealed that of the 26 million tons of ores and minerals imported, only 8 million tons, or 31 percent, were carried in vessels under United States registry.

To me there is little comfort in either the 37.1 percent or the 31 percent when, as recently as 1951, 61 percent of all iron ores reaching this country came in vessels flying the American flag. The plain facts of the case are that American-built, American-manned ships carried, in 1954, only 60 percent of the share of iron ores that they enjoyed just 3 years ago.

The ominous part of this picture is that we can be certain that the percentage of ores carried in American bottoms will go progressively lower and lower in the near future, because other nations are building the new, large ore carriers that will have to be relied upon in this trade.

Let me cite a few figures on this point taken from the May issue of the American Bureau of Shipping Bulletin, to support the view that American shipping of necessity will participate less and less in this vital ore carriage unless American industry and capital awaken to their responsibilities.

On May 1, 1955, there was under construction in the United States only one small ore carrier, and that was being built for Venezuelan interests. However, in foreign shipyards, for United States interests, and paid for in large part by American capital, there were on order or under construction a total of 12 large, modern bulk carriers, aggregating 429,200 deadweight tons.

British yards are building 3 such ore carriers, 1 of 31,000 deadweight tons for New York interests, and 2 of 32,000 deadweight tons each for Cleveland interests.

Japan is building 8, including 2 supercarriers of 55,000 and 58,000 dead-weight tons, for New York and California interests.

Sweden is building one 26,000-ton carrier for New York interests.

Right here it might be pertinent to point out also that of 89 new oil tankers being constructed or on order throughout the world, only 6 are in United States shipyards, and 2 of these are for Government account, while at least 2 of the others are part of the trade-in arrangement with the United States Government.

With the threat of hostilities looming very large above our heads, it is about time, it seems to me, that capital and industry in this country begin to reappraise the validity of their policies in this regard.

Should Moscow ever feel that the time is ripe for its long-acclaimed attack upon this country, could we have any assurance of security if our steel and other strategic-metal industries were almost totally dependent upon foreign shipping, manned by crews whose loyalty no one could predict?

Russia's fast submarines could be expected to exact a heavy toll upon such shipping. Indeed, their strategy could very well be to concentrate upon scowering this steel and metals lifeline, and thus cripple the heavy industries that are the backbone of America's military power.

I need not dwell upon this possibility—it is self-evident.

I do want, however, to stress a little further the debt our heavy industries owe to the little people of our Nation, who alone have made possible the great success of these very industries.

Every time an American industry or investment group builds and/or operates a ship foreign, it is taken the very bread out of the mouths of their own customers. Some financial savings are effected, I grant—but I think any competent economist could demonstrate that the losses in such cases approximate or even surpass the gains in financial savings.

Consider our shipyards, beggared for the most part by the billion dollars' worth of ship construction that has been sent abroad by American interests in the past decade. The man-years of employment lost thereby have depreciated the economy of whole areas—for not only have the shipyards been affected adversely, but steel and other industries as well. Millions of dollars worth of steel and other supplies that would have gone into those ships were diverted to foreign suppliers.

What can we do about it? The answer is simple. Give to our ship operators the benefits of the Merchant Marine Act, 1936; a construction subsidy to offset the cost differential of the ships; the operating subsidy to place our steamships' operation on a parity with their low-cost foreign-flag competitors. I am certain that if our independent American ship operators are given the opportunity to compete on the basis of parity for these strategic ore cargoes, they will give to our country these specialized ships so badly needed for our national security. It is up to the administration to act—and act promptly. We have no time to lose.

PROPOSED SYSTEM OF FAMILY ALLOWANCES

Mr. NEUBERGER. Mr. President, the next great step forward in social legislation should be a program which seeks a healthier, happier, and more secure life for the children of America.

To date, nearly all forms of social-security legislation have sought the worthy goal of freedom from want in old age. As we strive to improve these humanitarian efforts, I believe we must also pay positive attention to the problems and needs which exist at the other end of life's ladder.

For 10 years now, our closest continental neighbor, Canada, has operated a program known as family allowances. This is a program designed to make available more clothing, better and more wholesome foods, more medical care, and greater opportunities for cultural and educational advancement for the children of Canada who are under 16 years of age.

My wife and I have traveled widely in Canada in connection with writing about that free and prosperous nation. We have lived with Canadian families from the lonely Arctic Circle to the great cities near our own border. Our hosts have included Canadian businessmen, working people, farmers, mounted policemen, industrialists, and even Indians. From what we have seen, Mrs. Neuberger and I have become convinced that Canada's system of family allowances is a wonderful boom not only for the children of Canada, but for all Canadians, because a nation is reliant upon what the next generation can make of it.

AMERICAN PEOPLE SHOULD HAVE BENEFIT OF
STUDY OF 10-YEAR CANADIAN EXPERIENCE
WITH FAMILY ALLOWANCES

Inasmuch as this is the 10th year of the operation of Canada's family allowances, we believe the time is ripe for us in the United States to make a careful study of the accumulated experience with this great social experiment across our northern boundary.

We believe that all the evidence indicates that a similar program might be of great immediate benefit to the American people. But the decision of how the Canadian experience with family allowances can best be applied in developing a family allowances program for the United States should be based on the kind of thorough analysis and discussion of that evidence which only a public study by a special committee can provide. Therefore, I am sponsoring a Senate resolution for a special committee of the Senate to undertake this thorough study of family allowances—a study which I hope may lead the way toward the eventual adoption of a sound and enlightened program of family allowances in the United States.

Mr. President, I am submitting the resolution for seven other Senators, in addition to myself. They are my senior colleague from Oregon [Mr. MORSE], the senior Senator from Illinois [Mr. DOUGLAS], the senior Senator from Tennessee [Mr. KEFAUVER], the junior Senator from Minnesota [Mr. HUMPHREY], the junior Senator from New York [Mr. LEHMAN], the junior Senator from Massachusetts [Mr. KENNEDY], and the junior Senator from Michigan [Mr. McNAMARA].

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 109) to create a special committee to study Canadian Family Allowance Act with a view to determine the advisability of such legislation for the United States, submitted by Mr. NEUBERGER (for himself and other Senators), was received and referred to the Committee on Labor and Public Welfare, as follows:

Whereas the rate of birth of children in the United States is now running at the highest level in American history; and

Whereas it is in the best interest of this Nation that its children be adequately provided with the necessities of life in order that they may develop into strong, healthy, well-educated, and useful citizens; and

Whereas our good neighbor, Canada, this year is marking the 10th anniversary of an enlightened social experiment known as family allowances, which was adopted originally to promote the well-being of its children;

Whereas the Canadian family allowances program is reported to have had a favorable effect upon infant mortality, child health, juvenile delinquency, and the general welfare of children in that country; and

Whereas the welfare and well-being of the millions of children in the United States call for careful study and examination of the operation and the effectiveness of the family allowances program in Canada: Be it

Resolved, That a special committee of five Senators, to be appointed by the President of the Senate, is authorized and directed to make a full and complete inquiry and study of the Canadian Family Allowances Act and its administration, with a view to determining the advisability of instituting a similar system of family allowances for the promotion of health, development, and well-being of children in the United States. The committee shall report to the Senate, as soon as practicable, the results of its inquiry and study, together with its recommendations, if any, for appropriate legislation.

SEC. 2. (a) The committee is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Senate, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable.

(b) The committee is empowered to appoint and fix the compensation of such experts, consultants, and clerical and stenographic assistants as it deems necessary.

(c) The expenses of the committee, which shall not exceed \$26,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the committee.

Mr. NEUBERGER. Mr. President, the resolution establishes a special committee of five Senators, to be appointed by the President of the Senate. The committee "is authorized and directed to make a full and complete inquiry and study of the Canadian Family Allowances Act and its administration, with a view to determining the advisability of instituting a similar system of family allowances for the promotion of the health, development, and well-being of the children of the United States."

So that the Senate may be aware of the entire text of my resolution, it is as follows:

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Whereas it is in the best interest of this Nation that its children be adequately provided with the necessities of life in order

that they may develop into strong, healthy, well-educated and useful citizens; and

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(c) The expenses of the committee, which shall not exceed \$26,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the committee.

PAYMENTS UNDER FAMILY ALLOWANCES VARY
WITH AGE OF CHILD

The family allowance program in Canada consists of a series of monthly payments to the parents or guardians of children under 16 years of age. The size of the payments varies with the age of each child. This is the schedule of the allowances:

	<i>Per month</i>
Children under 6.....	\$5
Children aged 6 to 10.....	6
Children aged 10 to 13.....	7
Children aged 13 to 16.....	8

The payments are made to the mother. All Canadian mothers receive the allowances regularly on the 20th of every month. No "means" test decides which youngsters shall receive the benefits. The money goes to the children of lumber workers in British Columbia, to the children of truck drivers in Manitoba, to the children of Mounties on patrol in the Yukon, to the children of industrialists in Toronto, to the children of Eskimos in the Northwest Territories. There is no stigma attached to the allowances. They are universal. They go to all Canadian families.

What are the allowances used for? Canadian law merely requires that they must be spent for "the health and welfare of the child." And they are so spent.

In 1951, after the family allowance project had been in operation for 6 years,

for every single resident of a city, state, or nation.

COST OF FAMILY ALLOWANCES WOULD BE MODERATE PART OF NATIONAL BUDGET

What would a program of family allowances cost in the United States?

The sum cannot easily be calculated precisely, and the cost of the program naturally is one of the aspects to be studied by the special committee in determining the kind of program that might be appropriate to our own economic and social conditions. It is a rough guide, however, that the annual sum required in Canada has been about \$350 million. Canada's population is approximately 10 percent of that of the United States—although the percentage of children there may still be a little larger—so that the Canadian schedule of allowances would in our country amount to approximately \$3.5 billion a year.

It would be foolish, Mr. President, to deny that this is a large sum of money. Yet it is not exorbitant in the context of our present and future gross national product and in comparison with other items of our public and private national budgets. It is, of course, dwarfed by such essential but nonproductive Federal expenditures as those on the national defense. But, more relevantly, it is also far less than the \$8,865,000,000 which we spent, in 1953, on alcoholic drinks and the \$5,310,000,000 which in that year went up in tobacco smoke.

If family allowances will have a favorable impact on the health, happiness, and welfare of the children of the United States, I believe the program will be well worth the cost, indeed. "We are willing to make tremendous expenditures for defense," recently wrote Prof. J. Benjamin Beyrer, of the University of Connecticut. "Aren't our children our country's greatest defense resource?"

A distinguished Canadian with close ties to the United States, the late Prime Minister W. L. Mackenzie King, called family allowances the cornerstone of his program for Canada. It is my belief that, ultimately, such a program will be in effect in our own country. It will be the next great forward step to be taken to complement our social-security system.

In that belief, Mr. President, I urge early adoption of my resolution, so that a committee of the Senate may undertake a careful study of Canada's 10-year record of operation and management of its family allowances program, and so that the people of the United States may judge when and how we want to adopt for ourselves and our own children the benefits of family allowances.

**DEPARTMENT OF COMMERCE
APPROPRIATIONS, 1956**

The Senate resumed the consideration of the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

Mr. GREEN. Mr. President, on behalf of myself and my cosponsors, I am happy to submit an amendment to House bill 6367 which would provide Weather

Bureau forecasters with more of what they have wanted for years. I refer especially to modern electronic observing equipment, which could help them in their struggle to improve their forecasts and warnings of destructive storms.

On page 25, line 2, it is proposed to strike out "\$5,000,000" and insert in lieu thereof "\$10,000,000."

Before going further, Mr. President, I must mention my satisfaction in being able to announce that the following Senators are cosponsors of the amendment. The Senators from Oklahoma [Mr. KERR and Mr. MONROE], the Senators from Kansas [Mr. CARLSON and Mr. SCHOEPPEL], the Senator from Massachusetts [Mr. KENNEDY], my colleague from Rhode Island [Mr. PASTORE], the Senator from North Carolina [Mr. ERVIN], the Senator from Texas [Mr. DANIEL], and the Senator from South Carolina [Mr. THURMOND].

Doubtless there are other Senators who will give their full support to this amendment, and embrace the opportunity to show their real interest in improving our storm protection services. Many Senators have been told personally, perhaps by the meteorologists who do the forecasting in their own States, that the establishment of a modern radar storm detection network will mean increased forecasting accuracy, better and quicker warnings, and further reductions in the loss of life and property from sudden storms. All the weather experts agree that the improvements which can be expected in public weather protection services will repay, many, many times over, the comparatively small sums needed to provide forecasters with essential observation equipment.

Before briefly reviewing what can be provided with the \$5 million increase now being proposed, I should like to take this opportunity to congratulate the members of the Senate Appropriations Committee. They have clearly recognized the widespread demand for better storm protection, especially for improving our hurricane, tornado, and storm warning services. They are to be commended for their wisdom in recommending \$4,250,000 more than the Budget Bureau estimate for these purposes.

What is needed now, Mr. President, is the modern equipment to do the job which all experts agree should be done. That means 55 modern long-range radar stations to locate, analyze, and track hurricanes, tornadoes, and other severe storms, whereas only 12 such stations are provided for in the pending appropriation bill.

That means, also, modern cloud-height and visibility observing equipment at 150 of the busiest airport stations in the United States, whereas only 45 such airport stations can be so equipped under the pending bill.

I feel I should emphasize over and over again that the establishment of this \$10 million program, which my cosponsor and I urge be adopted, has already been strongly recommended by the weather Bureau, by the Department of Commerce, by the president of the American Meteorological Society, and by meteorologists everywhere who know

best what is actually required. It also should be mentioned that this appropriation would not have to be used in the next fiscal year only, but instead all establishment funds voted would remain available until June 30, 1959.

We can be certain, therefore, that the utmost care will be exercised to insure that the best possible return will be realized for any establishment appropriations which truly meet the Weather Bureau requirements over the next 4 years.

I will not take more time now to elaborate on the subject since I have written every Senator a letter, a copy of which, with enclosures, I hereby offer and ask to have printed in the RECORD in connection with my remarks.

There being no objection, the material was ordered to be printed in the RECORD.

UNITED STATES SENATE,
COMMITTEE ON RULES AND
ADMINISTRATION,
June 13, 1955.

DEAR SENATOR: When the Department of Commerce (Weather Bureau) appropriations bill comes up in the Senate for debate I intend to propose an amendment from the floor that will meet the request of the Weather Bureau and the Department of commerce for urgently needed storm detection equipment.

This floor amendment would enable the installation of modern radar storm detection equipment at 55 Weather Bureau stations, which is 43 more than the 12 radar installations made possible under the establishment appropriations voted by the House of Representatives.

In the face of the expert testimony that more than 80 such high-powered radar installations are now needed to locate, analyze, and track hurricanes, tornadoes, and other severe storms in all parts of the country, it is disappointing indeed to note that the Budget Bureau has decided this country needs only 3 new storm radar sets a year for each of the next 4 years.

I do not know what the administrative opponents of the \$10 million establishment fund are waiting for before they agree with the modest requests of the responsible storm forecasters. Are they waiting for another \$500 million damage hurricane on our eastern coast? Are they waiting for still another devastating tornado that evades the sparse network of outmoded radar installations?

Have they forgotten already that in a span of only 8 weeks last autumn 200 United States citizens lost their lives from hurricanes crossing our shores? Are they concerned at all that the 1954 property loss from hurricanes exceeded \$800 million? Do they remember the 1953 disasters from tornadoes at Waco, Tex., at Flint, Mich., or at Worcester, Mass.? Do they know that in the 4 years, from 1951 through 1954, there were 1,800 tornadoes which caused more than 800 deaths?

In the face of the huge annual losses from hurricanes and tornadoes—not to mention thunderstorms, flood-producing rains, blizzards, and other severe storms—I cannot agree that nothing more can be done, or that nothing more should be done, to provide adequate warning services. Economy of this sort is not prudent administration—it is simply gambling with the lives and property of our people.

Accordingly, I shall ask the Senate tomorrow to strike out the figure of \$5 million, and insert instead the figure of \$10 million, so that the otherwise unchanged paragraph in H. R. 6367 will read as follows:

"Establishment of meteorological facilities: For the acquisition, establishment, and relocation of meteorological observing facilities

ities and related equipment, including the alteration and modernization of existing facilities; \$10 million, to remain available until June 30, 1959."

I am happy to say that there are a number of Senators who are cosponsors of this floor amendment for additional radar storm detection stations. These cosponsors include Members of the Senate representing States hard hit by hurricanes last autumn, and also include Senators from inland States where the dreaded tornado frequently sweeps down from darkened skies bringing death and destruction.

My personal investigation of Weather Bureau needs has convinced me this radar station amendment is in the highest public interest, and I accordingly would welcome your support when the amendment is considered on the floor of the Senate.

Yours sincerely,

THEODORE FRANCIS GREEN.

Notes on requested Weather Bureau funds (fiscal year 1956) for the "establishment of facilities" (to remain available until June 30, 1959)

Requested of Budget Bureau by Department of Commerce.....	\$10,000,000
Requested of Congress by Budget Bureau.....	5,000,000
Voted by the House of Representatives and recommended by the Senate Appropriations Committee.....	5,000,000
Floor amendment to be proposed by Senator Green and cosponsors.....	10,000,000

COMPARISON OF "ESTABLISHMENT OF FACILITIES" PROGRAMS

Shown below are the major facilities which would be established under the \$5 million and \$10 million programs (to remain available until June 30, 1959):

	Under the \$5,000,000 establishment of facilities program	Under the \$10,000,000 establishment of facilities program
Number of stations to be equipped with new upper-air observation equipment.....	86	86
Number of stations to be equipped with modern long-range radar equipment to locate, analyze, and track hurricanes, tornadoes and other severe storms.....	12	55
Number of airport stations to be equipped with modern cloud height and visibility observing equipment for bad weather landings....	45	150

NOTES

1. There will be 43 more radar-equipped stations under the proposed \$10 million facilities program (i. e., a total of 55 radar stations instead of a total of 12 radar stations).

2. There will be 105 more airport stations with bad-weather observing equipment under the proposed \$10 million facilities program (i. e., a total of 150 equipped stations instead of a total of 45 equipped stations).

JUNE 1, 1955.

HON. SPESSARD L. HOLLAND,
Chairman, Subcommittee on Appropriations for the Department of Commerce,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HOLLAND: With this letter I am sending you a statement in support of increased appropriations for the Weather Bureau. I trust you can have it inserted as part of the hearings conducted by the Subcommittee of the Senate Committee on Appropriations considering the Department of Commerce appropriations bill.

It is my firm conviction that the Weather Bureau needs additional funds to operate ef-

ficiently and you will note in the enclosed statement that I recommend an increase of \$11 million in the Department of Commerce Weather Bureau appropriation for the fiscal year of 1956. \$5 million of this appropriation I recommend for immediate improvement of the storm warning service for the 1955 and 1956 hurricane seasons; \$5 million for the establishment of meteorological facilities; and \$1 million for hurricane, tornado and severe storm research activity.

In view of the anxiety and interest of many of our citizens in Weather Bureau activities, I trust that your subcommittee will favorably consider my recommendations for increased appropriations for the Bureau.

Yours sincerely,

THEODORE FRANCIS GREEN.

STATEMENT BY SENATOR GREEN IN SUPPORT OF INCREASED APPROPRIATIONS FOR THE UNITED STATES WEATHER BUREAU

In the autumn of 1954 Hurricanes Carol, Edna, and Hazel crossed the eastern coasts of the United States with disastrous results. As we all know, hundreds of lives were lost and total property damage from high wind and water amounted to hundreds of millions of dollars.

These staggering losses to our national life cannot be dismissed lightly, nor can they be forgotten by those in my home State of Rhode Island, as well as those elsewhere along the eastern coast. Many people lost their friends and neighbors, their homes and their savings, as these hurricanes suddenly swept in without sufficient warning.

On August 31, 1954, Hurricane Carol roared across New England to become the most costly catastrophe in North American history, with property damages totaling nearly \$500 million. I will not dwell on the individual human misery that brings meaning to such appalling figures. I will only say that each month since then I have received a flood of letters on the subject of hurricane warning systems from citizens along the eastern seaboard. They ask, over and over again, questions like the following:

1. Why cannot more advance hurricane warnings be given?
2. Why cannot more precise forecast information be given as to the future path, speed, and intensity of hurricanes?
3. Was the Weather Bureau or others at fault in distributing warnings about Hurricane Carol?
4. Does the Weather Bureau have sufficient trained staff and sufficient facilities to carry out their storm protection responsibilities?
5. How much research and analysis work has been done on salt water inundations covered by hurricane-driven winds?
6. Does the Weather Bureau have a research staff devoted exclusively to better hurricane forecasting?

7. Should we be prepared to accept in the next 5 years only a slow improvement in the present quality of hurricane forecasts and in present warning distribution methods?

In addition to the flood of questions such as these, I have received so much critical comment that I concluded last fall explanations were in order. Since then I have made a special study of hurricane warnings and have obtained reports from most of the Government agencies concerned. This study has convinced me that there are some improvements which can be undertaken by the Weather Bureau within their present resources of staff and facilities, and recently, I was told that the Weather Bureau is now proceeding to carry out some of them in preparation for the coming 1955 hurricane season.

But, I am convinced, yes, firmly convinced, that the Weather Bureau does not have sufficient funds to maintain hurricane warning services of the type rightfully expected by our citizens, and does not have sufficient funds to make any significant improvements

in its warning services for the 1955 and 1956 hurricane seasons.

Perhaps most shocking of all is the fact that the Weather Bureau does not even have a half dozen meteorologists who spend full time on hurricane research to develop better forecast techniques.

After my personal investigations led me to conclude what is most needed if improved warning services are to be forthcoming, I consulted again with the meteorologists of the Weather Bureau and other Government agencies, and, also with several meteorologists of the foremost universities and private industry.

From this background of study, I am convinced that the operation job actually needed cannot be done by half measures.

I accordingly urge that an increase of \$11 million be made in the Department of Commerce Weather Bureau's appropriation bill for fiscal year 1956. I further recommend that \$5 million of this increased amount be used for the purpose of immediately improving the storm-warning service for the 1955 and 1956 hurricane seasons.

Another \$5 million of this \$11 million increase in Weather Bureau funds should be devoted to the establishment of meteorological facilities, which were denied by the Bureau of the Budget when it cut in half the \$10 million sum requested by the Weather Bureau and the Department of Commerce and reduced it to \$5 million. Those who desire more detailed figures may be referred to the table on page 5868 of the CONGRESSIONAL RECORD of May 24, 1955, and to page 641 of the hearings before the subcommittee of the Committee on Appropriations of the House of Representatives held on April 27, 1955.

There is little doubt that much of the staggering losses of 1954 could have been avoided if the Weather Bureau had been equipped with the proper radar equipment and other observation facilities installed along the coast. We may be certain that similar occasions will arise here in the coming years, and perhaps in other coastal areas also. Accordingly, I strongly urge that funds be provided for these modern meteorological facilities which may mean the difference between life and death along our entire coastline.

I have been advised that the Weather Bureau, if provided with a \$10 million fund for meteorological facilities to be expended over a period of 4 years, will be able to carry out an orderly, efficient, and effective storm warning and protective system. These facilities not only will be of tremendous aid in forecasting hurricanes, but also will be useful in predicting the onward march of tornadoes, hailstorms, severe thunderstorms, blizzards, and other great meteorological hazards.

By this establishment of facilities all citizens in its expected path can be given sufficient advance warning to save their lives and reduce the loss of their property.

I understand that the Weather Bureau has carefully worked out exactly what equipment is desired, where such equipment is to be located, and the time schedule on which such equipment can be installed.

In any case, I hope we do not have to wait for more devastating hurricanes and more frightful tornadoes before we get the equipment which our experts tell us is such an important factor in improved warnings.

I recommend also an initial appropriation of \$1 million for hurricane, tornadoes, and severe storm research activity because I feel that much greater emphasis should be given to an intensified search for full knowledge of the laws of storms and the physics of the atmosphere. Our future welfare may depend on a deeper understanding of nature. It would be shortsighted indeed to ignore this large gap in our true knowledge of the weather processes. Let us get on with the job.

Some scientists have even suggested that in the years not very far ahead we may be able to modify, divert, and even destroy dangerous hurricanes before they are full grown, or before they reach our shores.

The very minimum of such research activities will be repaid many times over in the greater knowledge and confidence that can be given our weather forecasters, who now are often compelled to predict the precise future path of hurricanes from insufficient observational data.

I have consulted the leaders in the weather sciences both in and out of the Weather Bureau, and I am convinced there is a strong justification for the development of a large research program on hurricanes and that the Weather Bureau is willing to give this problem a high priority in the coming years.

Some of the more challenging problems on which more fundamental knowledge is needed include:

1. The physical reasons for the apparent shifting tracks of hurricanes, and the relationships of hurricane occurrences to the observed circulation patterns of the upper atmosphere.

2. The air flow and moisture mechanisms which cause tropical disturbances to grow larger, to speed up, to change direction, or to increase or decrease in intensity.

3. The means by which hurricane forecasts can be made more accurate in direction and speed of movement, and for longer periods in advance.

4. The integrated relationships between tidal action, sea surges, salt water levels, river stages, and coastal geography, with the varying speeds and tracks of hurricanes.

5. The possibilities of modifying, diverting, and even destroying hurricanes headed for nearby populated coastal areas.

I am one of those in Congress who believe that the Weather Bureau is one of the Government agencies which does not waste any of the taxpayers' money, and that its appropriations are used with discretion. The total funds to be allotted to the Weather Bureau are very small in comparison with the funds appropriated to some of the other agencies, and in comparison with the millions of dollars which could easily be saved for our citizens in the coming years.

JUNE 7, 1955.

HON. SPESSARD L. HOLLAND,
Chairman, Subcommittee on Appropriations for the Department of Commerce, United States Senate.

DEAR SENATOR HOLLAND: I was astonished to learn that the Weather Bureau has never received an appropriation to purchase radar weather observing equipment. I did not know that the meager equipment it now has was "salvaged" from excess stocks of airborne radar equipment not even designed to detect, track, and analyze severe weather phenomena.

It was, therefore, very disappointing to me when the Weather Bureau's modest request for \$10 million for the establishment of facilities, including the installation of storm-detection radar equipment at 55 stations, was reduced to half that amount by the Bureau of the Budget.

My interest in this appropriation request stems from the fact that Oklahoma lies in the center of the tornado belt, and the fact that radar equipment has proven especially effective in detecting and tracking tornadoes, which advance at speeds of from 20 to more than 50 miles an hour.

Oklahoma is one of the States especially subject to tornadoes. During the period from 1915 to 1949, Oklahoma suffered 664 fatalities as the result of tornadoes, while during the same period nationwide there were 7,961 deaths, about 10 times that number of injuries, and property damage that cannot even be estimated. These figures, of course, do

not include the tornadoes that have occurred since 1949 or those of last month which took more than 100 lives in Oklahoma and Kansas alone.

The Weather Bureau estimates that 85 modern radar stations are needed to detect, track, and analyze severe weather phenomena such as tornadoes and hurricanes. Approval of the original \$10 million request would have enabled the Bureau to equip 55 of the 85 needed stations with radar. As reduced to \$5 million, by the Budget Bureau, and approved by the House, only 12 stations can be equipped. By increasing the figure to \$10 million, 43 more stations could be equipped, and I strongly urge that the amount be so increased.

It is an established fact that in cases where the Weather Bureau has been able to give timely warnings of approaching storms, deaths have been reduced. As an example, in 1947 a tornado was detected at least half an hour before it struck the town of Leedey, Okla., and a warning was flashed to the community. Although two-thirds of the town was demolished, there were only six fatalities.

The Weather Bureau's severe weather warning system must be expanded and improved. We know that we will experience destructive tornadoes and hurricanes again, and we know that as yet we have no means of controlling or directing them. But we also know that with instantaneous distribution of warnings, the loss of life can be virtually eliminated and damage to property materially reduced.

The House has approved an additional \$2,250,000 for the Weather Bureau, and a request is pending in the Senate to increase that amount to \$5 million which, as I understand it, would be used exclusively for an emergency hurricane-warning system.

I certainly do not wish in any way to minimize the urgent need for improvement of the hurricane-warning system, but I do wish to emphasize that the same urgency exists with respect to the tornado-warning system. The fact that different sections of the country are subject to different types of severe weather does not, in my opinion, make any section more or less entitled to protection than the others.

I firmly believe that the Weather Bureau could use considerably more than the \$5 million being requested in the Senate to improve the hurricane-warning system, but I do not feel that the other parts of the country subject to severe weather should be penalized by earmarking for that exclusive purpose any funds which may be appropriated.

I also wish to strongly endorse the request for an initial appropriation of \$1 million for severe weather research. The Weather Bureau has long been handicapped by inadequate instrumentation and facilities for the collection, reduction, and analysis of data on severe weather disturbances. Approval of the request for \$1 million will permit the Bureau to begin a research program in cooperation with colleges and universities, which would carry on the fringe aspects of data reduction and analysis, thus freeing the experts from time-consuming detail and permitting them to devote their efforts to only the most important aspects of the problem.

The sooner we undertake the research necessary for improving forecasts of severe weather, the sooner we can begin to reduce the terrible toll of life and property inflicted upon us by these violent disturbances.

Very truly yours,

A. S. MIKE MONRONEY,
United States Senator, Oklahoma.

Mr. GREEN. Mr. President, I feel very strongly that we no longer should endorse the snail's pace of storm warning improvement which extremely limited funds have forced on our weather

forecasters. Let us stop right now any further unnecessary gambling with the lives and property of our fellow citizens.

Mr. STENNIS. Mr. President, will the Senator from Rhode Island yield to me for a question?

Mr. GREEN. I yield with pleasure.

Mr. STENNIS. I notice that the Senator from Rhode Island states that the \$10 million program which his amendment proposes, has already been strongly recommended by the Weather Bureau, by the Department of Commerce, by the president of the American Meteorological Society, and by meteorologists everywhere who know best what is actually required.

In view of that fact, why did not the Bureau of the Budget recommend the same figure?

Mr. GREEN. The same question could well be asked with reference to other departments of the Government. Their requests for appropriations are cut down. It might well be asked, "Why didn't the Weather Bureau recommend its figure publicly." The answer is that departments are told to cut down their requests or they may not get anything. That is what it amounts to.

The Bureau of the Budget seems to think it is the final judge in these matters. It does not always accept the recommendations of the various departments of the Government. It takes the estimates of the departments, and sometimes cuts them down officially, and sometimes goes to a department unofficially and says, "You had better not ask for so much. You are defeating your own purpose."

Mr. STENNIS. I am impressed with the strength of the Senator's statement in his speech, and I should like to ask whether he made personal investigation of these matters. I believe he has, but I should like to have the statement in the RECORD.

Mr. GREEN. Of course, I have not been in the upper regions of the clouds. Even if I had been I probably would not understand the subject. I have not been up there, except so far as I have been in airplanes.

Mr. STENNIS. I assume the Senator has interrogated these people himself.

Mr. GREEN. I have. I satisfied myself before I proceeded to undertake this campaign to get the additional funds.

Mr. STENNIS. I assume the Senator has obtained this information from people who know the facts.

Mr. GREEN. Yes; absolutely. I have spoken to everyone who I thought could give me information. The strongest argument that impressed me was that the tremendous loss of property which occurred in my State from one hurricane after another probably could have been greatly decreased, and much of it probably would not have happened if there had been proper forewarning.

Mr. STENNIS. Mr. President, my information is that the Senator from Minnesota [Mr. HUMPHREY] wishes to make some remarks at this time. However, he is not in the Chamber at the moment. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, it is so ordered.

ONE HUNDREDTH ANNIVERSARY OF THE BIRTH OF ROBERT M. LA FOLLETTE, SR.

Mr. MORSE. Mr. President, I wish to take a moment to join in the tributes which are being paid today in both Houses of Congress to one of the greatest liberals in all of America's history. Today is the 100th anniversary of the birth of "Fighting Bob" La Follette, of Wisconsin.

It is very difficult for one by way of subjective analysis to determine for himself how it came about that he developed certain philosophies and certain points of view, although I think it is good for each of us, in meditation and introspection, very frequently to analyze our own thought processes and our own philosophy.

As I introspect how I came to develop the political philosophy for which I am fighting in the Senate, I cannot escape the conclusion that undoubtedly as a young student my thinking was influenced more by "Fighting Bob" La Follette, of Wisconsin, than by any other single political figure in American public life.

I grew up in Verona, Wis., not far from the La Follette farm. As a boy, I was associated with the La Follette family. The La Follette boys and I attended the Dane County Fair together as competitors in the pony classes, because the La Follette boys and I raised Shetland ponies throughout our boyhood. It was as a boy at the fair that I first came to know the great Senator Robert M. La Follette, Sr. Throughout my high school and college career, I frequently had the great honor and privilege of sitting at his feet, so to speak, and listening to him discuss, as he was so prone to do with young people, the problems of politics.

Many things could be said about La Follette and the basic tenets of his political philosophy; but I am satisfied that the thing he taught me, above all else, was that the primary job of a public official is to serve human values. Many a time have I listened to the old Senator, as we used to call him, advise with the group of young liberals at the University of Wisconsin and stress that dedicated principle of his, namely, that the job of a representative of free people is to serve the interests of the people.

I have been heard to say in some of my speeches that the greatest wealth we have in America is human wealth; but, so far as my experience with that great tenet is concerned, it came from the lips of Bob La Follette, because it is a principle which he stressed so frequently, as he discussed political problems in the State of Wisconsin.

As a college student, I campaigned for Bob La Follette; and I campaigned for him later, in 1924, when he was a candidate for President of the United States.

Millions of people in America will always owe much to "Fighting Bob" La Follette, because I know of no other liberal in our history who has ever elevated to a higher plane his basic tenet that in representative government the primary obligation of the elected official is to do those things which are necessary to advance and protect human values.

I take this occasion to express my debt of gratitude for the inspiration which the life of Bob La Follette, and his courage and daring, have afforded me in my political career.

NIAGARA POWER PROJECT

Mr. STENNIS. Mr. President, the Senator from Minnesota [Mr. HUMPHREY] is en route to the Chamber. I expect him momentarily.

I observe that the Senator from Texas, the distinguished majority leader, has returned to the floor. He may wish to make an announcement. The Senator from Minnesota was testifying before a committee, and he is on his way to the Senate floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEHMAN. Mr. President, on Friday, June 10, I had the privilege of appearing before the House Public Works Committee on the subject of Niagara power project legislation. In a prepared statement, I urged the enactment of legislation containing the provisions of my bill, S. 1823, and Representative Davidson's companion bill, H. R. 5878. This proposed legislation will, I hope, shortly come before the Senate for its consideration and action. It is of vital importance to the people not only of New York but of the Nation as a whole, and I believe that the issues involved should be carefully studied by every Member of the Congress. I therefore ask unanimous consent to have the statement made by me on June 10 before the House Public Works Committee printed in the body of the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY BY SENATOR LEHMAN BEFORE HOUSE PUBLIC WORKS COMMITTEE ON NIAGARA POWER PROJECT LEGISLATION

Mr. Chairman, I need scarcely say how pleased I am to appear before this committee and before you, Congressman BUCKLEY, as chairman. We are old friends, you and I, as well as fellow New Yorkers. We have worked together in many a good cause. It is a privilege for me to appear before you, and your committee, and to submit my views on the pending matter—legislation authorizing the

development of hydroelectric power at Niagara Falls—a matter in which both of us have a deep and immediate interest.

I really don't think I need convince you, Mr. Chairman, of the general merits of the case I am going to present today. I am sure we are in practically perfect accord on it. I am aware, however, that neither you nor I—nor both of us together—are going to decide this matter. As far as the Niagara legislation is concerned, it must be considered and voted upon by this committee as a whole, and not all of its members are from New York, nor are they all Democrats.

Seriously, Mr. Chairman, although this legislation is of primary interest and concern to New York, and although the resource in question is within the borders of New York—and I refer, of course, to the Niagara River and Niagara Falls—there is a Federal, a national interest in this matter and our proposal is, of course, for Federal legislation.

I am not insensitive to the fact that we must convince Members of Congress representing other parts of this Union that the legislation we propose is desirable from a national viewpoint, and not just from the viewpoint of New York State.

The national interest, in this case, arises, first of all, from the fact that the Niagara River, while it is on the northern border of New York State is also on the northern border of the United States.

It is an international waterway. The hydroelectric power we propose to develop under the terms of this legislation was made available under the terms of a treaty negotiated in 1950 by the Federal Government. In other words, the power potential was made available by the exercise of the sovereign treaty-making power of the United States.

The national interest lies further in the fact that the United States, in negotiating the treaty which made this power available, assumed certain binding obligations—to preserve and enhance the scenic beauty of Niagara Falls, which is itself a resource, not only of the people of New York, and of the United States, but of the people of Canada, as well. We share this resource—this scenic and power resource—with the sovereign people of Canada.

The third basis of national interest consists of the fact that the Niagara River, along with most other rivers, is a navigable waterway, and hence within the jurisdiction of the Federal Government, under the Constitution. It has been held that the disposal of water and the construction of power works on a navigable river is a matter within the purview of the Federal Government and of Congress.

And, finally, Mr. Chairman, there is the question of national power policy—as laid down, from time to time, by Congress. A consistent pattern of policy has emerged over the past 50 years, through a long succession of congressional acts on the subject. It is certainly the concern of Congress, and of the Federal Government, to see that whatever disposition is made of a particular project conforms to this policy.

So, Mr. Chairman, when we, of New York State, ask Congress to approve a proposal authorizing the development of power from the Niagara River for the benefit of the people of our State, our proposal must recognize these four bases of national interest. Our proposals must reconcile these national interests with our own local interests. In this case, as in every other case, that is the challenge of statesmanship.

At this point let me say that I think there is already too much of a disposition among us to vote or act on the basis of what is good for our own particular localities.

We are sometimes inclined to forget that what made this Nation great—and what made it a nation—was the concern of one region for the welfare of another. Had the

tariff reductions reducing tariff rates existing on January 1, 1955, in stages of not more than 5% in each of 3 years, or negotiate reduction in those rates which are higher than 50 percent of the value of an import to a rate equivalent to 50 percent. Amends the escape clause to modify the standards for determining injury to a domestic industry. Grants the President additional authority to control imports of any article which is found to be entering in such quantities as to impair the national security. Requires the President and the Tariff Commission to report annually to the Congress on the operation of the trade agreements program.

8. CROP INSURANCE. Received from the Comptroller General the audit report on the Federal Crop Insurance Corporation, for the fiscal year ended June 30, 1954 (p. 6994). The House received this report on June 14 (H. Doc 180) (p. 6990).
9. FORESTRY. The Interior and Insular Affairs Committee reported with amendments S. 1713, to amend the mining laws to provide for multiple use of the surface of the same tracts of the public lands (S. Rept. 554) (p. 6996).
10. PROPERTY; EXTENSION WORK; LOW-INCOME FARMERS. The Agriculture and Forestry Committee reported without amendment S. 2097, to transfer land and buildings now used for research under cooperative agreement with the Virgin Islands Corporation (S. Rept. 557); and S. 2098, to authorize additional appropriations for cooperative extension work among low-income farmers (S. Rept. 558) (p. 6996).
11. LAND TRANSFER. The Agriculture and Forestry Committee reported without amendment H. R. 2973, to release reversionary rights to a former FHA tract in Macon County, Ga., to the Ga. Board of Education (S. Rept. 559) (p. 6996).
12. APPLE PRICES. The Agriculture and Forestry Committee reported without amendment H. R. 5188, to prohibit USDA prediction of apple prices (S. Rept. 560) (p. 6996).
13. FARM LOANS; RECLAMATION. The Agriculture and Forestry Committee reported with amendments S. 1472, to extend financial assistance to desert-land entrymen to the same extent as such assistance is available to homestead entrymen (S. Rept. 561) (p. 6996).
14. COMMERCE AND RELATED AGENCIES APPROPRIATION BILL, 1956. Continued debate on this bill, H. R. 6367 (pp. 7006, 7060-70). Agreed to the committee amendment increasing forest highways (p. 7069).
15. MARKETING; EXPERIMENT STATIONS; GRAIN STANDARDS. The Agriculture and Forestry Committee reported with amendments S. 1757, to provide penalties for false grade marking (S. Rept. 562); S. 1759, to consolidate experiment station authorizations (S. Rept. 563); and S. 1400, to protect the integrity of grade certificates under the U. S. Grain Standards Act (S. Rept. 564) (p. 6996).
16. EMERGENCY LOANS. The Agriculture and Forestry Committee ordered reported with amendment S. 1582, to extend the period for the making of emergency loans for agricultural purposes (D. 556).
17. WATER CONSERVATION. Sen. Carlson inserted a resolution of the Coffeyville, Kans. Chamber of Commerce urging consideration of flood control and water pollution measures on the Big Hill Creek (p. 6995).

18. WHEAT. Sen. Neuberger urged that the "two-price" wheat plan be considered and inserted a newspaper article commenting on the recently announced wheat price supports (pp. 7003-4).

Sen. Langer inserted a portion of his remarks published by the Wall Street Journal citing the distressed position of wheat farmers who are unable to find proper storage facilities for their wheat crops (p. 7004).

19. INSECTS. Sen. Langer inserted a report from the North Dakota Insect and Pest Reporting Service listing and describing all the insects which are now prevalent throughout the Northwest (pp. 7004-5).

20. GRAIN BINS. Sen. Humphrey was again very critical of the Agriculture Department's alleged "bungling" of storage bin construction (pp. 7005-6).

BILLS INTRODUCED

21. RUBBER. S. 2242, by Sen. Kilgore, to amend the Rubber Producing Facilities Disposal Act of 1953, so as to permit the disposal thereunder of the Government-owned rubber-producing facility at Institute, W. Va.; to Banking and Currency Committee (p. 6997).

22. LANDS. S. 2246, by Sen. Mundt, to authorize the sale of certain lands to the city of Wall, S. Dak.; to Agriculture and Forestry Committee (p. 6997).

23. SURPLUS PROPERTY. S. 2247, by Sen. Saltonstall, relating to the authority of the Administrator of General Services with respect to the utilization and disposal of excess and surplus Government property under the control of executive agencies; to Government Operations Committee (p. 6997).

24. FARM LABOR. S. 2248, by Sen. Saltonstall, to amend the Refugee Relief Act, as amended, to provide a certain number of visas for persons of ethnic Armenian origin; to Judiciary Committee (p. 6997).

25. RECLAMATION. S. 2251, by Sen. Welker, to authorize the Secretary of the Interior to construct, operate, and maintain in the upper Snake River Valley, Idaho and Wyo., the Narrows Federal reclamation project and a reregulating reservoir below the Palisades Dam and Reservoir; to Interior and Insular Affairs Committee (p. 6997).

26. FOREIGN TRADE. S. 2253, by Sen. Ellender (for himself and others), to re-emphasize trade development as the primary purpose of title I of the Agricultural Trade Development and Assistance Act of 1954; to Agriculture and Forestry Committee (p. 6997).

27. FARM PROGRAM. H. R. 6835, by Rep. Gathings, "to amend the Agricultural Act of 1954;" to Agriculture Committee (p. 7130).

H. R. 6836, by Rep. Gathings, "to amend the Agricultural Act of 1938, as amended;" to Agriculture Committee (p. 7130).

H. R. 6845, by Rep. Watts, "to further amend the Agricultural Adjustment Act of 1938;" to Agriculture Committee (p. 7130).

28. WILDLIFE. H. R. 6844, by Rep. Young, to provide that accumulated receipts in the Federal aid to wildlife restoration fund shall be appropriated; to amend the Wildlife Restoration Act (16 U. S. C., secs. 669-669i), defining "wildlife restoration project;" to Merchant Marine and Fisheries Committee (p. 7130).

with forceps or fingers. Such wounds should be treated with a disinfectant. Dogs should be checked regularly for ticks. If found, the tick should be removed by hand or treat the animal with 0.5 percent DDT or chlordane sprays. DDT or chlordane applied at 1 percent strengths to wooded areas and lawns will control this tick.

Carpet beetles: Specimens of this destructive household pest which feeds on wool and wool products continue to be received. For further information on their control obtain Extension Circular A-166 or USDA Bulletin No. 24 from the North Dakota Agricultural College Extension Service.

[From the North Dakota Insect and Plant Pest Reporting Service, Fargo, N. Dak., of June 11, 1955]

Sugar beet root maggot (*tetanops myopaeformis*): Adult female flies were observed in sugar beet fields near Auburn, Walsh County, in considerable numbers during the first week of June.

Colorado potato beetles: Adults were observed in garden potato plantings in the Grand Forks vicinity on June 3. Some egg laying was also reported. In controlling this insect apply a dust of 3-5 percent DDT dust or 3-5 percent methoxychlor at 20-30 pounds per acre; 10 percent toxaphene dust at 10-15 pounds per acre. Sprays of 25 percent DDT or methoxychlor emulsion at 4-5 quarts per acre in 100 gallons of water, or 50 percent DDT or methoxychlor wettable powder at 2 pounds per 100 gallons of water, or 45 percent toxaphene emulsion at 1½ quarts per 100 gallons of water will give satisfactory control.

Blister beetles: Adult beetles, the large purple variety, were reported attacking legume plantings at the Fort Lincoln Nursery, Bismarck, on June 2. Control measures applied on June 3 resulted in a satisfactory kill of this pest. For control use DDT or toxaphene at 1-1½ pounds per acre as a dust or spray.

Cottonwood or willow leaf beetles: Larvae of this species had caused considerable defoliation of willow-cutting blocks at the Fort Lincoln Nursery, Bismarck, this week. Since both larvae and adult beetles feed on foliage, a careful watch for the emergence of adult beetles should be maintained, especially in nursery plantings. Control of this beetle and its larvae may be accomplished by spraying with 2 pounds of 50 percent DDT in 100 gallons of water.

Cutworms: Reports of cutworm damage to vegetable transplants have been received this week from several localities. The following amounts of actual insecticide per acre should be applied: DDT, 1½ pounds; toxaphene, 2 pounds; chlordane, 1 pound; heptachlor or aldrin, one-half pound. Poisoned baits may also be used.

Spider mites: Reports of spider mite build-ups, especially in evergreen foundation plantings, continue to be received. Recent rains over the State may have diminished the rapid increase in population; however, with the advent of warm, sunny weather a careful watch should be kept and control measures applied in order to prevent injury to susceptible plant species. Control measures recommended are ovotran 50 percent wettable powder at 1 pound, or dimite 15 percent or aramite 15 percent at 1½ pounds per 100 gallons of water. Malathion 50 percent emulsified concentrate has given control at 2 pints per 100 gallons of water or 2 teaspoonsful per gallon of water. Dusting sulfur may also be used.

Rose cucullio: This is the time of year to employ control measures against this insect. The weevil eats holes in the unopened buds, leaves, and flower stems of roses. Bush roses, such as Hansa, seem to the most injured in this area. For control apply 3-5 percent DDT dust to foliage at weekly intervals.

Mosquitoes: Populations continue to increase following general rains.

AMENDMENT OF CODE RELATING TO MAILING OF OBSCENE MATTER

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 600) to amend title 18 of the United States Code, relating to the mailing of obscene matter, which were to strike out all after the enacting clause and insert:

That the first paragraph of section 1461 of title 18 of the United States Code is amended to read as follows:

"Every obscene, lewd, lascivious, indecent, filthy, or vile article, matter, thing, device, or substance; and—"

SEC. 2. The fifth paragraph of section 1461 of title 18, United States Code, reading "Every letter, packet, or package, or other mail matter containing any filthy, vile, or indecent thing, device, or substance; and", is hereby repealed.

SEC. 3. Chapter 71 of title 18 of the United States Code is amended by inserting, immediately following section 1464 of such chapter, a new section, to be designated as section 1465, and to read as follows:

"§ 1465. Transportation of obscene matters for sale or distribution.

"Whoever knowingly transports in interstate or foreign commerce for the purpose of sale or distribution any obscene, lewd, lascivious, or filthy book, pamphlet, picture, film, paper, letter, writing, print, silhouette, drawing, figure, image, cast, phonograph recording, electrical transcription or other article capable of producing sound, or any other matter of indecent or immoral character, shall be fined not more than \$5,000 or imprisoned not more than 5 years, or both.

"The transportation as aforesaid of 2 or more copies of any publication or 2 or more of any article of the character described above, or a combined total of 5 such publications and articles, shall create a presumption that such publications or articles are intended for sale or distribution, but such presumption shall be rebuttable.

"When any person is convicted of a violation of this act, the court in its judgment of conviction may, in addition to the penalty prescribed, order the confiscation and disposal of such items described herein which were found in the possession or under the immediate control of such person at the time of his arrest."

SEC. 4. The analysis of chapter 71 of title 18 of the United States Code is amended by inserting, immediately after and underneath item 1464, as contained in such analysis, the following new item:

"1465. Transportation of obscene matters for sale or distribution."

And to amend the title so as to read: "An act to amend title 18 of the United States Code relating to the mailing and transportation of obscene matter."

Mr. KILGORE. On March 14, 1955, the Committee on the Judiciary favorably reported S. 599, a bill to prohibit the transportation of obscene matters in interstate or foreign commerce, and S. 600, a bill to amend title 18 of the United States Code, relating to the mailing of obscene matter. Both bills, as reported, passed the Senate on March 28, 1955. On June 1, 1955, the House Judiciary Committee reported H. R. 3333, a bill to amend title 18 of the United States Code relating to the mailing and transportation of obscene matter. H. R. 3333, as reported, contained all the provisions incorporated in both Senate bills. On June 7, the text of H. R. 3333 was substituted for that of S. 600, which was passed by the House of Representatives.

Since the bill now before the Senate (S. 600) embodies the provisions previously agreed to by the Senate, I ask unanimous consent, Mr. President, that the Senate concur in the House amendments.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

BUNGLING IN THE DEPARTMENT OF AGRICULTURE

Mr. HUMPHREY. Mr. President, last week I called attention to some of the fantastic bungling in the Department of Agriculture into which I have urged a thorough investigation.

I think this body should know that responsible officials of the Department now admit that 8,960 grain storage bins purchased and elected during the past 2 years were seriously defective and resulted in heavy losses.

My colleagues may be interested in knowing that conferences were held in the Department of Agriculture yesterday in regard to seeking restitution of more than a million dollars from suppliers of these bins.

I am glad to see this effort to recover some of this loss.

However, I would be more interested in finding out how much bungling occurred and making sure it cannot happen again.

Why did the Department of Agriculture continue purchasing these bins and ordering them erected long after complaints were made from the field that they were defective?

Is it possible that nearly 9,000 faulty bins could be erected before anyone realized they were so defective?

How did these now admittedly faulty bins not only gain approval of the Department of Agriculture, but also pass naval inspection?

Why did the Department of Agriculture ignore the recommendations of its own research bureau at Beltsville in regard to calking compounds in its desperate attempt to seal up the cracks and holes in these defective bins, with the result that heavy losses of corn and grain occurred?

Mr. President, these are among the questions which should be looked into and should be answered.

Never before under any administration have million-dollar losses as a result of bungling and poor judgment or worse been treated so casually, cause such little interest, or been paid such little attention by the press.

Have we a double set of standards?

Is such bungling simply written off as a mistake under a Republican administration, whereas it would be shouted from the housetops as corruption under a Democratic administration?

This grain-bin scandal is but one of the many examples of mismanagement in the Department of Agriculture under this supposed businessman's businesslike administration. Are they going to be ignored?

I, for one, feel that the Senate has a responsibility to take better care of the taxpayers' money, and erect safeguards

against further repetition of such bungling and waste.

We must either do it through our own committees, or call upon the General Accounting Office to conduct a thorough investigation for us.

I do not intend to remain quiet while such things are going on. I have even further information available that should be laid before competent investigators.

But I assure the Senate until such an investigation is opened I shall continue to bring before this body these examples of the shortcomings, bungling, mismanagement, inefficiency, carelessness, and poor supervision in the Department of Agriculture.

As I have said before, I am not yet convinced that only bungling and mismanagement is involved. I want to be fair before making public even more serious charges.

For that reason I hope an investigation can be undertaken that will permit all sides to be heard.

I have brought the matter to the attention of the Subcommittee on Investigations, and I have asked it to make a full-scale report of its investigation.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1956

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which the Secretary will state by title.

The LEGISLATIVE CLERK. A bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

TRADE AGREEMENTS EXTENSION ACT OF 1955—CONFERENCE REPORT

Mr. BYRD. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of June 9, 1955, p. 6763, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BYRD. Mr. President, I am glad to report that of the 29 amendments adopted by the Senate Finance Committee and by the Senate, the Senate conferees succeeded in retaining 26. One of those on which the Senate conferees receded proposed a technical change requiring changes in one of the other amendments. The amendments on which the Senate conferees receded were not vital to the purposes of the bill itself.

I desire to emphasize the fact that I do not believe any renewal of the reciprocal trade agreements law has received a closer and more exhaustive investigation by the Senate Finance Committee than H. R. 1, now pending. The hearings before the Senate Finance Committee lasted 4 weeks. More than 150 witnesses were heard. The executive sessions extended for another 4 weeks. Every single line of H. R. 1, as passed by the House of Representatives, was scrutinized and debated during 2 months of hearings and executive sessions.

I state this because I want the Senate to know how carefully this proposed legislation was considered by the Senate Finance Committee, and how keenly the membership appreciated its importance.

The effort has been made to convey the impression that the amendments adopted by the Senate Finance Committee crippled the reciprocal-trade program. I emphatically state that this is not true. Every single amendment adopted by the Senate Finance Committee was approved by the President.

I was a Member of the Senate when the reciprocal-trade-agreements program was first adopted in 1934. I supported it then and have supported it since. H. R. 1, now pending before the Senate, carries out the original principals of the trade-agreements program.

The Honorable Cordell Hull testified before the Senate Finance Committee in support of the first trade-agreements bill in 1934, and stated:

The entire policy of this bill would rest upon trade relationships which would be mutually and equitably profitable, both to our own and to other countries.

He said also:

The proposed reciprocity policy would, on the whole, enhance these benefits by increasing commerce which would result in increasing production and increased employment at home.

The reciprocal-trade program means what it says, namely, that its purpose is to stimulate and increase commerce between America and other nations on a basis of reciprocity. This is exactly what H. R. 1, as now presented to the Senate, will do.

This bill preserves the fundamental principle of the reciprocal-trade program by leaving the final decision in the hands of the President. It continues the program for 3 years and permits certain further reductions in the tariff rates on a restricted basis.

We must all recognize that world conditions have changed since the reciprocal-trade program was inaugurated in 1934. Since then the industrial wage scale in the United States has been increased much more rapidly than in other countries who import from us. It is likewise a fact that under the United States foreign-aid program the industrial plants of importing nations, especially textile and chemical plants, have been rebuilt and modernized, without cost to such nations. For these reasons the Senate Finance Committee adopted certain safeguards.

In view of all the conditions now existing, it is my sincere conviction that H. R. 1, as amended by the Senate Finance

Committee and later practically in toto by the Senate, and then approved by the conference committee, in adopting 26 out of 29 of the Senate amendments, offers the best approach that could be devised to continue our foreign trade on a basis of reciprocity, and, at the same time, protect, in reasonable fashion, the proper interests of American industry.

I will discuss briefly some of the more important amendments inserted by the Senate Finance Committee.

The first important amendments adopted by the Senate Finance Committee were Nos. 1, 2, and 3, which eliminated from the House bill all language indicating approval of the international organization known as General Agreement on Tariffs and Trade. The White House approved this action on these amendments in a communication addressed to me as chairman of the Finance Committee, as follows:

Amendment No. 1: This amendment strikes out the language in the House bill that sought to spell out the kinds of provisions that could be included in foreign trade agreements. The language stricken out was intended to be clarifying rather than substantive in nature. Since the language so stricken was merely declaratory of existing law, as uniformly interpreted, the administration has no objection to the Senate amendment striking it out.

Amendment No. 2: This amendment is merely a clerical amendment made necessary by amendment No. 1.

Amendment No. 3: The language of the House bill which this amendment strikes out was designed to make it clear that the enactment of the bill would not constitute approval or disapproval by Congress of the proposed new Organization for Trade Cooperation. The language which the Senate amendment proposes to insert is designed to make it clear that the enactment of the bill is not to constitute approval or disapproval by Congress of the GATT. Since the bill passed the House, separate legislation proposing congressional approval of OTC has been recommended, and hence it seems that the House language stricken out by the Senate amendment is unnecessary. The language inserted by the Senate amendment is similar to language which had been included in Trade Agreement Act extensions for the last several years, and the administration has no objection to it.

The second series of amendments were Nos. 4, 5, 6, 9, 11, 12, 17, 20, 21, 22, and 23, which eliminated the double jeopardy with respect to articles on which concessions are made in the forthcoming trade agreement with Japan.

The White House agreed to these amendments in the following language:

Amendments Nos. 4, 5, 6, 9, 11, 12, 17, 20, 21, 22, and 23: All of these amendments relate to a single subject matter, viz, the elimination of the so-called double jeopardy with respect to articles on which concessions are made in the forthcoming trade agreement covering Japan. Under existing law the duties on these articles could be reduced by 50 percent of the duty existing on January 1, 1945, and then have been subject to a further 15-percent reduction under the House bill. Under the Senate amendments, if the duty on a particular article is reduced by 15 percent or more under the Japanese trade agreement, no further reduction could be made under the bill. If the duty on that article is reduced by less than 15 percent under the Japanese trade agreement, the duty could be decreased under the Senate amendments by the difference between a 15-

How can this Nation expect its oil industry to remain strong and vigilant in its capacity to fuel our emergency requirements without some reasonable limitation upon the excessive importation of foreign oil?

Enclosed is a copy of a statement made by Mr. George H. Bruce before the Kansas Corporation Commission at its last hearing on oil proration. Mr. Bruce directs his remarks to the Sohio decision.

I respectfully ask your personal aid in bringing this matter to the attention of the President's Committee on Fuels Policy.

With best personal regards, and our continued appreciation of your yeoman service in behalf of all Kansas, I remain,

Sincerely yours,

TOM ORR,
Executive Secretary.

Mr. Chairman, Mr. Director, members of the State corporation commission and gentlemen; my name is George H. Bruce, president of Aladin Petroleum Corp., Wichita, Kans.

You would be shocked if it were announced that one of the important purchasers of crude oil in the State of Kansas contemplated running 5 percent of the oil which they purchase into ditches by the side of the road effective on June 1. This would clearly constitute physical waste and I am certain that this Commission would promptly issue an order prohibiting such action.

The reduction as announced by the Sohio Petroleum Co. of 15 cents a barrel on the oil which they are purchasing in Kansas effective June 1, in my opinion, as flagrantly constitutes waste of a similar nature, that is, economic waste.

This is a rank and thoughtless discrimination against the producers of crude oil within the State of Kansas and is a storm warning to all of the other crude oil producers in the entire United States. There is no justification for such action judged either on a basis of industry statistics or on a basis of Sohio Oil Co.'s published earning statement and certainly not on any basis which considers the cost of finding, developing, and producing crude oil.

I would like, at this point, to give you some industry statistics.

In terms of days' supply of crude oil, the industry is at the lowest point of inventories it has been as of April in the past 6 years. I quote as follows:

	Days
April 1950.....	38
April 1951.....	34
April 1952.....	36
April 1953.....	35
April 1954.....	38
April 1955.....	33

In terms of products, the days' supply is as follows for the same period of time:

	Days
April 1950.....	48
April 1951.....	48
April 1952.....	47
April 1953.....	47
April 1954.....	54
April 1955.....	52

Thus, the total overall crude and products in terms of days' supply for this period is as follows:

	Days
April 1950.....	86
April 1951.....	82
April 1952.....	82
April 1953.....	82
April 1954.....	90
April 1955.....	86

It is true that volumewise stocks are up modestly. Again I quote as of May 14:

	Production (barrels)	Increase or decrease (barrels)	Increase or decrease (percent)
Crude oil.....	278,208,000	+4,284,000	+1.6
Gasoline.....	171,134,000	-4,616,000	-2.6
Distillate.....	72,710,000	+7,179,000	+10.9
Kerosene.....	22,951,000	+1,361,000	+6.3
Residual.....	44,161,000	-835,000	-1.9
Total stocks.....	589,164,000	+7,373,000	+1.3
Refinery runs.....	7,061,000	+41,000	+6

However, petroleum demand for both domestic and export is predicted by all of the individual companies and all of the statistical agencies to be considerably higher in 1955 than in 1954 and a generally accepted figure is that the total anticipated consumptive demand for 1955 will be approximately 5 percent higher than it was in 1954. The United States Bureau of Mines report a 7.4 percent increase in consumptive demand for the first quarter of 1955.

For Sohio Oil Co. to justify such a reduction by their own company earning statement is indeed difficult to understand in view of the fact that their earnings for the first quarter of 1955 are 36.3 greater than for the first quarter of 1954. An average net profit of 36 oil companies for the first quarter of 1955 showed an increase of 9.8 percent. In other words, the Standard Oil Company of Ohio's earnings are up almost four times the average for the 36 listed firms. It is interesting to note that in this list of firms which have an average increase of 9.8 percent the first quarter of 1955 over the first quarter of 1954 there are many, in fact, most of the principal purchasers of crude oil in the State of Kansas such as Anderson-Prichard, Cities Service, Continental Oil, Gulf Oil, Lion Oil, Phillips Petroleum, Shell Oil, Sinclair, Standard of Indiana, Texas Co., Skelly, and others.

If the Commission would care for me to do so, I would be very glad to read into the RECORD the comparative earnings of each of these companies named. I make this point simply to illustrate to you that other companies who are purchasing oil in the State of Kansas have not experienced the same percentage increase in earnings in the first quarter of 1955 compared to the first quarter of 1954 as the Standard Oil Company of Ohio and nevertheless they have accompanied their nominations for the purchase of crude oil in the State of Kansas with a posted market of \$2.90 per barrel as contrasted with Sohio's posting of \$2.75 per barrel.

The Standard Oil Company of Ohio know all too well that there is no justification for the action which they have taken if judged in the light of the cost of finding, developing and producing crude oil. A four-year survey of this company's costs indicates that a \$91 million capital expenditure resulted in a net cost of \$16,200 per daily barrel of produced crude oil.

It is thus wondered if Sohio's action is taken with a hidden motive that to my mind is a disastrous one for the producers of crude oil in the domestic petroleum industry of the United States. As I view the picture, there is a constant encroachment of imported crude and products which are undoubtedly being offered in certain trade territory of the Standard of Ohio, the products probably at slightly lower prices than the products from domestic crude and undoubtedly foreign crude is being offered for sale to the Standard Oil Company of Ohio at price below domestic production and one wonders if this company is contemplating embarking on a program of purchasing foreign oil.

The Sohio Oil Co. is a large purchaser, refiner and marketer of crude oil, refining and

marketing in excess of 120,000 barrels daily as contrasted with a net production of approximately 30,000 barrels daily. Their four refineries, located in Cleveland, Toledo, and Lima, Ohio, and Covington, Ky., are all strategically situated and interconnected by pipelines and they are supplying approximately one-quarter of the gasoline bought in the State of Ohio.

This company has had a remarkable growth in the past 10 years growing from gross sales of \$124.9 million in 1945 to \$304.4 million in 1954. In this same 10 year period their net income has increased from \$3.7 million to \$18.5 million and their per share earnings have increased from \$1.10 per share in 1945 to \$4.41 per share in 1954. In a press release of May 24, it is reported that their earnings for the first 3 months of this year amounted to \$6,079,843, equal to \$1.46 a common share, compared with \$4,460,935, or \$1.06 a share, in the comparable first quarter of a year ago. Sales and operating revenues rose to \$81,161,120 from \$75,227,667 a year ago.

It is difficult to reconcile this impressive growth and earning record with any reason for this action on the part of Sohio unless this is a trial balloon to see how the crude oil producers and public officials will react toward a general readjustment of the domestic crude oil market. Certainly there is no one so naive as to believe a readjustment of the Kansas crude oil market can be made by one purchaser and not be followed eventually by all other purchasers, this in turn spreading to a readjustment of markets in Oklahoma, Texas, New Mexico, yes, the entire United States domestic crude oil producing areas. This could lead to a considerably greater adjustment than this initial small bonfire in the plains of Kansas and eventually lead to disaster in all the oil producing States creating the greatest conceivable economic waste to all the individuals and companies engaged in the production of oil and to the economics of all the counties and States in which crude oil production pays and plays so great a part.

I am fully aware that there are those engaged primarily in the refining and marketing of petroleum and with only a very modest interest of the welfare of the production of crude oil who believe that the way to combat imports of cheap foreign oil and foreign oil products is to depress the domestic petroleum market and slug it out with the importers. I have been in the oil business, interested only in one phase of the business and that is the finding, developing, and producing of crude oil and selling same at the posted market price for some 31 years. Oil has gone from \$3 a barrel to 10 cents a barrel in that period and finally back to its present posted market of \$2.90 for top gravity oil. This was achieved only after a long uphill fight demonstrating a necessity for adequate markets to stimulate the search for new reserves at ever-increasing costs of doing so. The domestic oil industry cannot compete with cheap foreign imports without bankrupting all of those engaged in the industry except possibly those interested only in refining and marketing and such a policy would eventually engulf those who think they could gain. Indeed such a policy could be the spark that set in motion a real business recession.

This is a dismal picture and an alarming one, but gives you a glimpse of what could be precipitated by this action of Sohio's in utter disregard of their responsibility to the petroleum economy of the State of Kansas. My concern could not be greater unless it were one of immediate greater proportions which I think could follow unless this commission takes prompt notice and action. The eyes of the entire domestic oil industry are focused on this situation.

It is my recommendation to you, Mr. Commissioner, and members of the corporation commission, that you promptly take action. You have several courses open to you. You could recommend or suggest to the other crude oil purchasers of Kansas to buy the oil which Sohio has been buying from outside connections. It is my understanding that Sohio purchases 7,300 plus or minus barrels in Kansas of which 4,000 barrels daily is company-owned oil. Thus a reduction in this company-owned oil is simply a matter of bookkeeping, taking away from the production division and giving to the refining division or taking from one pocket and putting into the other pocket. The remaining 3,300 plus or minus barrels is purchased from many independent producers in Kansas. A suggestion or recommendation or, if need be, an order from this commission to the other purchasers that they purchase this 3,300 plus or minus barrels daily would effectively relieve Sohio and take them out of Kansas as a purchaser of crude oil. We are operating this month under a 25,000 barrels a day reduction in allowables and there will possibly be a similar reduction for the month of June. Certainly the 3,300 plus barrels can be absorbed and, if not, a reduction could be worked out by those companies taking this 3,300 barrels. This commission will be taking a constructive step not only in the best interests of Kansas, but of the entire domestic petroleum industry by realizing the important significance of this matter and exercising its authority to prevent economic waste of our State's most important mineral resource—crude petroleum.

I want to apologize for the length of this statement.

Mr. JOHNSON of Texas. Mr. President, I should like to have action concluded on the conference report. It is my understanding that the Senator from Illinois [Mr. DOUGLAS] wished to be notified when the debate on the Commerce Department appropriation bill was resumed. But in view of the understanding with his staff, I suggest that the Senator

from Minnesota proceed with his speech, and I will see if the Senator from Illinois can be located.

Mr. HUMPHREY. Mr. President, I observe that the Senator from Illinois has just come to the floor. May I ask the majority leader if it is his desire to proceed with the consideration of the conference report?

Mr. JOHNSON of Texas. Will the Senator from Minnesota yield, so that the question may be put?

Mr. HUMPHREY. I am happy to yield for that purpose.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

(Mr. HUMPHREY resumed and concluded his speech, which appears in its entirety on preceding pages of the RECORD.)

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1956

The Senate resumed the consideration of the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

Mr. HOLLAND. Mr. President, I had expected at this time to ask unanimous consent that the committee amendments be agreed to en bloc, and that the customary action in that connection, looking to the creation of a clean bill which would be subject to all amendments, might be taken. However, I find that there is objection to that course, so I suggest that the committee amendments be considered in order.

The PRESIDING OFFICER. The first committee amendment will be stated.

Summary of bill

Department or agency	Appropriations, 1955	Estimates, 1956	Recommended in House bill	Amount recommended by Senate committee	Increase (+) or decrease (—), Senate bill compared with—		
					Appropriations, 1955	Estimates, 1956	House bill
Title I—Department of Commerce.....	\$1,130,632,746	\$1,347,800,000	\$1,105,810,000	\$1,296,322,300	+\$165,689,554	—\$51,477,700	+\$190,512,300
Title II—The Canal Zone.....	15,433,000	16,898,000	16,300,000	16,600,000	+1,167,000	—298,000	+300,000
Title III—Independent agencies:							
Advisory Committee on Weather Control.....	120,000	295,000	175,000	295,000	+175,000	—	+120,000
St. Lawrence Seaway Development Corporation.....	(250,000)	(280,000)	(280,000)	(280,000)	—	—	—
Tariff Commission.....	1,327,000	1,400,000	1,400,000	1,400,000	+73,000	—	—
Grand totals, titles I, II, and III.....	1,147,512,746	1,366,393,000	1,123,685,000	1,314,617,300	+167,104,554	—51,775,700	+190,932,300

TITLE I—DEPARTMENT OF COMMERCE

For the Department of Commerce, including the Civil Aeronautics Board, the committee recommends \$1,296,322,300, an increase of \$190,512,300 above the amount allowed by the House. The total, with comparisons of the amount recommended with the appropriations for fiscal year 1955 and with amounts allowed by the House of Representatives is shown in the accompanying summary table, showing the amounts allowed by title of the bill and by agency.

OFFICE OF THE SECRETARY

Salaries and expenses: The committee recommends \$2,217,300, an increase of \$45,300 over the amount allowed by the House, and over appropriations for comparable activities in fiscal year 1955. The amount recommended will make available for fiscal year 1956 for the immediate office of the Under Secretary for Transportation no more than

the amount made available for this activity in fiscal year 1955. The increase will provide funds to cover the full year cost in fiscal year 1956 of positions established in the Office of the Secretary during 1955, and for adding two positions in the Office of Budget and Management for improvement of accounting methods.

Aviation war risk insurance revolving fund: The language proposed is legislative, and its proper place appears to be in an amendment of the law, section 1306 of the act of June 14, 1951 (49 U. S. C. 716). The remedy should lie in recourse to the legislative committee having jurisdiction over the matter.

BUREAU OF THE CENSUS

The committee recommends \$7,100,000 for fiscal year 1956, an increase of \$900,000 above the current appropriation and above the House bill. Due to censuses taken in

The first amendment of the Committee on Appropriations was, under the heading "Title I—Department of Commerce—Office of the Secretary", on page 2, line 2, after "(not exceeding \$1,000)", to strike out "\$2,172,000" and insert "\$2,217,300."

The amendment was agreed to.

Mr. HOLLAND. Mr. President, I ask unanimous consent that the report of the committee be printed in full at this point in the RECORD. I make the request so that with reference to any item on which no question is asked on the floor the report will give the answer the committee thought was adequate.

There being no objection, the report (No. 512) was ordered to be printed in the RECORD, as follows:

The Committee on Appropriations, to whom was referred the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made:

Amount of bill as passed	
House	\$1,123,685,000
Amount of increase by the	
Senate	190,932,300
Amount of bill as reported to Senate...	1,314,617,300
Amount of appropriations, 1955.....	1,147,512,746
Amount of the regular and supplemental estimates, 1956	1,366,393,000
The bill as reported to the Senate:	
Over the appropriations for 1955.....	167,104,554
Under the estimates for 1956	51,775,700

calendar year 1954, the need for certain annual surveys did not exist this year. This is reflected in the reduction of appropriation for the salaries and expenses of the Census Bureau from \$6,824,824 for comparable purposes in 1954 to \$6,200,000 in fiscal year 1955. With resumption of these activities required in fiscal year 1956, the committee feels that within a total of \$7,100,000 the Bureau should continue to improve statistics on employment, and should go forward in development of electronic machines adapted to its work which should speed results and reduce costs of the next decennial census.

The increases are distributed by project as follows:

Annual retail trade report.....	\$50,000
Annual survey of manufacturers....	150,000
Expanded population survey.....	500,000
Electronic equipment development..	200,000

Census of agriculture: The committee recommends no amendment. The House allowance of \$5,500,000, \$10,500,000 less than the appropriation for fiscal year 1955, and \$500,000 less than the estimate, will complete this census.

Censuses of business, manufactures, and mineral industries: The committee recommends no amendment. The House allowance of \$4 million is \$665,000 less than the budget estimate, and \$4,430,000 less than the appropriation for fiscal year 1955.

It is not intended by the committee that this reduction should delay or curtail the planned work on the censuses, but that, if it is demonstrated that additional funds are required in fiscal year 1956 to complete it, a supplemental estimate will be submitted.

Intercensal housing survey: The committee recommends the appropriation of the amount of the estimate for this purpose, \$500,000. The item was omitted in the House bill.

The obvious great changes which have occurred in the housing supply and pattern of occupancy since 1950 have not been reduced to any form of comprehensive national statistical coverage. Considering the importance of the subject, to one of the Nation's principal industries and to the whole body of the population—and especially, considering the billions in credit for housing construction and ownership for which the United States Treasury stands as guarantor—it is the belief of the committee that the survey at this time is required for the information of the public, the Congress, and the housing industry, and that it should cover all housing in its sample, including Wherry housing for military personnel.

CIVIL AERONAUTICS ADMINISTRATION

Operation and regulation: The committee recommends \$107,125,000 for "Operation and regulation" for fiscal year 1956. This amount is \$4,125,000 above the House allowance and \$975,000 over the budget estimate. This recommendation is a result of careful consideration of the adverse effect on our growing civil and military aviation that would result from plans to discontinue certain aids to air navigation. Extensive evidence is available that we should operate the available air navigation and traffic-control facilities and the new facilities that will be ready during 1956. Our recommendation will permit facilities constructed at Federal expense and needed for the air-ground services that assure safety in aviation to be operated. A lesser amount will result in closing facilities which are important to segments of aviation and this committee has always stressed that safety in aviation should not be jeopardized.

The committee therefore directs that no stations or facilities now operating be discontinued by the Civil Aeronautics Administration, and that there be reported to the appropriate committees of the Senate and House of Representatives a comprehensive plan for future air traffic control routes, facilities, and stations, which shall in any event be made available to this committee and to the Appropriations Committee of the House of Representatives prior to the submission of the budget for fiscal year 1957.

Establishment of air navigation facilities: The committee recommends \$16 million, which is \$2,500,000 less than the House allowance and \$7 million less than the budget estimate. It is the view of the committee that the administration should proceed slowly with installation of new equipment while the question of the type permanently to be used is being determined. The committee feels that this amount is adequate to meet the needs for other new facilities in the Federal airways system during the coming year.

For liquidation of contract authorization previously granted under this head, the committee recommends \$7 million, the amount of the House allowance and the budget estimate.

Grants-in-aid for airports: The committee recommends \$20 million, the amount allowed for this purpose by the House; it is \$9 million more than the budget estimate, and \$150,000 less than the comparable amount made available for fiscal year 1955.

Many communications and statements have been presented to the committee by distinguished citizens, Members of the Senate and of the House of Representatives, urging an increase in this fund up to the maximum authorized to be appropriated in 1 year, which is \$100 million. Testimony was presented to the committee as to the criteria employed by the administration in choosing airports for Federal aid under this authority.

In view of the fact that decision is pending on legislation which would substantially change the pattern of selection and extend eligibility for aid to more of the communities throughout the Nation which have sold or authorized bonds, or by other means built up funds to match Federal grants aggregating more than \$161 million, it is believed a larger appropriation would be of doubtful value to communities seeking the increased grants.

The committee recommends \$7,500,000, the amount in the House bill and in the budget, for liquidation of contract authorization previously granted for the Federal-aid airport program.

Maintenance and operation, Washington National Airport: The amount recommended by the committee, \$1,415,000, is \$65,000 more than the House allowance and the appropriation for the current fiscal year. The increase will provide \$45,000 for the increased pay at wage-board rates of custodial employees so reclassified in accordance with Public Law 763, 83d Congress (68 Stat. 1105). It will also provide for an increase of \$20,000 for the increased cost of utilities.

The committee asks that a complete investigation and report to the Congress be made by the administration of the monopoly on taxicab transportation from the airport to points in Washington, which appears to be operated to the detriment of public convenience at exorbitant costs to passengers.

Construction, Washington National Airport: The committee supports the action of the House in recommending the budget estimate, \$525,000. This amount will provide for additional aircraft fuel storage and distribution facilities and for other critically needed improvements, including the addition of a second baggage room at the south end of the terminal.

Maintenance and operation, public airports, Territory of Alaska: The committee recommends \$750,000, the amount of the budget estimate, and \$150,000 more than the House bill. The recommended amount will provide an increase of \$150,000 above the 1955 appropriation to pay \$15,000 for the added costs for employee fringe benefits enacted by the 83d Congress, and \$135,000 for bulk utilities purchase by the airport for sale to occupants of its facilities from which the net proceeds deposited in the Treasury will exceed the cost.

Air navigation development: The committee recommends \$1,600,000, an increase of \$550,000 over the 1955 appropriation and the House bill. Regardless of the outcome of the controversy as to the type of air-navigation aids to be installed on the airways in the near future, the committee believes it important to the safety and the convenience of the public in these days of growing air traffic and air speed that there be increased an active attention to the development of instruments and guiding devices which will provide correspondingly increased speed in air traffic direction and control.

CIVIL AERONAUTICS BOARD

Salaries and expenses: The committee recommends the amount of the budget estimated, \$4,125,000. This is \$225,000 more than the House bill would provide, and \$348,000 more than the fiscal year 1955 appropriation. The work of the Board in auditing the air carriers—an essential prerequisite to establishment of final rates, which determine the amount of subsidy to be paid—and in settling applications for certification of air routes, has been inexcusably slow.

Undoubtedly there are complex issues which come before the Board for solution in applications for adjustment of rates and for the certification of new routes or improvements to existing routes for the convenience of the public. In granting this full budget request, it is the understanding of the committee that such proceedings will be expedited, and that there will be an increase in frequency and scope of audits of the air carriers.

Payments to air carriers: The committee recommends \$55 million for the subsidy payments to scheduled United States flag domestic and international airlines. The amount allowed by the House, \$40 million, would not, according to testimony given to this committee, pay the amounts earned and due under the law given the most favorable circumstances. The recommended increase of \$15 million is \$8 million less than the budget estimate; limiting the appropriation to that amount may very well require provision of a supplemental appropriation in the next session.

Testimony before this committee on this appropriation request brought out the fact that the payments due are earned by a formula which is set up under law, whenever the airline provides service on a certificated route; once a rate is set, no recapture is provided, unless the rate is temporary. The only thing other than flight service performance which thereafter affects the amount due from this appropriation is that there is a deduction of the amount which is paid to the carriers by the Post Office Department computed on the volume of mail actually carried. Any recoveries made are based upon the action of the Board in setting final rates below the temporary rates, which action is subject to court review.

The Board chairman advised the committee that recommendations for a recapture provision, as an amendment to basic law, were under active study and might be provided to this Congress. Such an action appears to this committee to be worthy of encouragement.

The Board's estimates for subsidy payments to air carriers have been in a form which lists amounts to be paid to each air carrier grouped in broad geographical classifications. In evaluating subsidy requirements for the future, particularly for international operations, it would be helpful to the committee if the Board were to segregate and identify with greater particularity the routes and services for which subsidy is required, and those which do not receive subsidy support.

COAST AND GEODETIC SURVEY

Salaries and expenses: The committee recommends \$10,225,000, which is \$25,000 more than the House allowance and the 1955 appropriation. The increase is provided to cover retirement pay of five officers who are being added to the retired list. The committee does not recommend the initiation of a proposed survey of the gulf coast tidelands area.

BUSINESS AND DEFENSE SERVICES ADMINISTRATION

Salaries and expenses: The recommendation of the committee, \$6,900,000, is \$702,000 more than the House allowance and would

provide an increase of \$652,000 over the amount available for comparable activities for the fiscal year 1955. The agency requested \$250,000 to increase the Area Development Division and \$800,000 to provide for construction statistics projects. The committee recommends that there be less than maximum action in these two areas.

BUREAU OF FOREIGN COMMERCE

Salaries and expenses: The committee recommendation, \$2,200,000, is \$400,000 more than the provision in the House bill and restores the full budget estimate. The Senate last year acted to increase the staff of this Bureau in order to improve its service to American businessmen engaged in foreign trade. The increase provided will simply continue throughout fiscal year 1956 the added staff which was recruited during fiscal year 1955.

Export control: The committee recommends \$2,800,000, an increase of \$300,000 over the House allowance. Despite the reduction in the controlled list, there are still requirements for enforcement at nearly as many points as in the past. Since much of this enforcement work is done by the Bureau of Customs, Treasury Department, the committee recommends that the full amount of \$800,000 be provided to that agency by the Department of Commerce. The committee also recommends that the amount of \$90,000 be available for transfer to the Office of the Secretary for his administrative expenses in connection with export control activities rather than \$75,000 recommended by the House.

OFFICE OF BUSINESS ECONOMICS

Salaries and expenses: The committee recommends \$900,000, which is \$75,000 less than the House figure and \$100,000 less than the budget estimate. The committee was told by the Secretary and the Assistant Secretary of Commerce that \$75,000 earmarked by the House to finance a special study of unemployment throughout the country was for an activity which was not contained in the budget and was not recommended for this agency. Funds recommended for the Census Bureau would provide for the proposed purpose.

MARITIME ACTIVITIES

Ship construction: The committee recommends \$102,800,000, the amount of the estimate and \$38,100,000 more than the House allowance. The restoration will provide for continuation of the program initiated last year to stimulate the American shipbuilding industry and to provide for replacement which will prevent block obsolescence of the American merchant marine. The amount recommended for restoration by this committee includes the building of 1 prototype tanker and 2 prototype cargo ships, planned for future requirements of national defense. On the basis of testimony that the last proviso, which was included by the House, is not consistent with normal practice in shipbuilding, the committee has recommended striking out language which would limit commencement of construction to vessels for which the entire appropriation of Federal funds required to complete had been provided.

Operating differential subsidies: The committee recommends \$115 million, an increase of \$25 million over the House allowance and the same that has been provided for fiscal year 1955. The payment of subsidies which have been earned is an obligation of the Government to contractors who operate shipping under terms provided by the Merchant Marine Act of 1936 as amended. Although certain sums are withheld from these earnings as a matter of policy—such as amounts in dispute and a proportion of earnings during most recent quarters pending audit which will determine possible recapture—it is the belief of the committee that such obligations after determination should be

promptly paid. To fail to provide the funds at this time will simply require Congress to consider a supplemental appropriation later in the fiscal year. Language which has been included in the bill by the House would change a provision which has previously limited the number of voyages on which subsidies might be paid. The committee proposes to reinstate the limitation for contractors covered by these subsidies in the form and the full number recommended in the budget, 2,000 voyages.

Salaries and expenses: The committee recommends \$14,700,000, which is \$700,000 more than the House allowance and \$400,000 less than the budget estimate. The increase recommended by the committee will provide additional funds, in the amount of \$440,000 more than the allowance of the House, for reserve fleet expenses in order to insure that preservation work is expedited and will also provide for a corresponding increase in the provision for maintenance of shipyard facilities and operation of warehouses.

Maritime training: The committee recommends \$2,085,000, the amount of the budget estimate and of the House bill, which is principally for the operation of the Merchant Marine Academy at Kings Point, N. Y.

State marine schools: The committee recommends \$660,000 for this purpose, the amount included in the bill in the House and the amount appropriated for the fiscal year 1955. There was no budget estimate submitted for this activity for fiscal year 1956. It is believed by the committee that officials of the Administration have shown a disregard for the effect of the proposed abrupt discontinuance of this aid without advance notice upon the States, the schools, but particularly upon the students who have enrolled in these maritime academies in the expectation that they would be able to complete their course with Federal aid. Furthermore, the committee believes that these State schools are making a valued contribution to national security by providing trained personnel for our merchant fleet and for the Naval Reserve.

Reserve fleet vessels (liquidation of contract authority): The committee recommends \$6 million for this purpose, which is the amount of the House allowance and the budget estimate and \$6 less than the fiscal year 1955 appropriation.

War Shipping Administration liquidation: The committee recommends no amendment. The House allowed the amount of the estimate, an authority to continue use in 1956 of \$5,900,000 of unexpended balances from 1948 appropriations for settlement of obligations approved by the General Accounting Office.

Vessel operations revolving fund: Language has been included in the bill as proposed in the budget estimate but which was not approved by the House, permitting the Maritime Administration to pay the cost of protection, preservation, maintenance, acquisition, or use of vessels returned to the ownership of the United States from other nations or by forfeiture or foreclosure.

Inland Waterways Corporation: The committee recommends authorization for the use of \$14,000 from the funds of this Corporation to carry out the audit and physical inspection required in fiscal year 1956 under the terms of the contract of sale of the assets of the Corporation. The amount recommended is the amount of the budget estimate and was disallowed entirely by the House.

PATENT OFFICE

Salaries and expenses: The committee recommends \$14 million for this purpose, the amount of the House allowance and \$2 million more than the budget estimate.

Testimony before the committee by the Secretary of Commerce, the Under Secretary, and the Deputy Commissioner of Patents was that this money could be used constructively.

BUREAU OF PUBLIC ROADS

Federal-aid highways: The committee recommends \$680 million, the full amount of the budget estimate, which is an increase of \$80 million over the House bill and \$85 million more than the appropriation for fiscal year 1955. This appropriation is a liquidation of an obligation of the Federal Government to the States. The obligation to the States is incurred pursuant to the contract authority contained in the Federal highway acts; not to provide the appropriation for payment would require a supplemental appropriation at a later date during the fiscal year.

Forest highways: The committee recommends \$25 million, the amount of the budget estimate, for the liquidation of contract authority granted in the Federal-Aid Highway Act of 1954. This amount, \$6,500,000 more than the House allowance, will be needed to meet these obligations.

Inter-American Highway: The committee recommends an appropriation of \$25,250,000 for the continuance of the construction of the Inter-American Highway, which is the full amount of the authorized but unappropriated balance.

It is the sense of the committee that the interests of this Nation, our friendship for the neighbor nations, the value of surface access to the Panama Canal, and many other mutual benefits dictate early completion of this highway. Even if the cost of the road is increased by accelerating its construction to completion in 3 years, as requested by the President, it is deemed to be so very much in our interest for the early realization of our objectives, in Latin American peace and in mutual economic benefit, so as to greatly outweigh the added cost.

Public lands highways: The committee recommends \$2 million, the full amount of the budget estimate and the same amount approved in the House. This appropriation is for the liquidation of obligations for construction of highways as they cross land owned by the United States.

Reductions in contract authorizations: The committee recommends the concurrence of the Senate in the provision included in the bill by the House on the recommendation of the Bureau of the Budget which will cancel the unused authorizations and contract authority for Federal-aid and forest highways under the acts cited in the bill.

NATIONAL BUREAU OF STANDARDS

Expenses: The committee recommends \$7,450,000, which is \$450,000 more than the amount in the House bill and \$300,000 less than the budget estimate. The testimony disclosed that \$550,000 of the increase of \$1,450,000 recommended by the committee over the fiscal year 1955 appropriations for comparable activities will go for the elimination of overcharges to other agencies. This practice by the Bureau of Standards has been criticized by the Comptroller General. The \$900,000 which is recommended for the increased program in standards, research and testing is needed as a minimum to support an increase in work for improved standards of measurement demanded by technical improvements in industry.

Plant and equipment: The committee recommends \$995,000, the amount allowed by the House and \$20,000 less than the budget estimate. The committee also recommends language submitted in the estimate which is required by law to be contained in appropriation acts for the construction of facilities.

WEATHER BUREAU

Salaries and expenses: The committee recommends \$32 million, which is \$2,100,000 more than the amount in the House bill and \$4,150,000 more than the budget estimate. With these additional funds, the committee also recommends language which will limit the use of \$4,250,000 to operation, improve-

ment, facilities and research in hurricane, storm, and tornado warning services in the United States. Included in the amount which is provided for this purpose is \$96,000 for the operation of a ship in the gulf coast areas to give earlier and better warnings for these coastal waters which will be of particular benefit to the fishing industries and installations offshore oil drilling and production.

It is the sense of the committee that the extension of agriculture frost-warning service is to be encouraged wherever communities or local associations of agricultural producers provide required supporting funds. In the case of Maricopa County, Ariz., \$10,000 is provided within the amount allowed for the provision of such a service.

Establishment of meteorological facilities: The committee recommends the amount allowed by the House, \$5 million which is the amount of the estimate. This amount will pay for the cost of modernization of obsolescent weather-observation equipment, particularly in the field of storm detection and tracking.

GENERAL PROVISIONS—DEPARTMENT OF COMMERCE

The following provisions have been included in the bill by the committee:

"SEC. 104. Not to exceed 5 percent of any appropriations of the Department of Commerce available for salaries and expenses may be transferred to any other such appropriation, but no such appropriation shall be thereby increased by more than 5 percent: *Provided*, That such transfers shall be in addition to any other transfers authorized by law, but no such transfer shall be used for the creation of new functions within the Department: *Provided further*, That not to exceed \$5,000 of such transfers shall be available for entertainment.

"SEC. 105. Hereafter the position of Budget Officer of the Department shall be in GS-17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent."

The language proposed in section 105 would

place the present incumbent of the position of budget officer of the Department in the grade established by law for the previous incumbent.

THE PANAMA CANAL

Canal Zone Government operating expenses: The committee recommends \$14,800,000, an increase of \$300,000 over the House bill and \$217,000 under the budget estimate. The committee reaffirms its directive of last year that none of the funds available to the Canal Zone Government shall be used for the provision of free kindergartens.

Capital outlay: The committee recommends \$1,800,000, the House allowance, and a reduction of \$81,000 under the estimate. However, the committee recommends inclusion in the language of provision for replacement of 8 passenger-carrying motor vehicles instead of 6 as recommended in the House bill. These two vehicles are to be used by the Police Department.

Panama Canal Company: The committee recommends \$3,740,000, to be derived from revenues of the company, for administrative expenses. This amount is \$151,000 more than the House allowance and \$110,000 less than the budget estimate. The amount allowed does not provide for any increase in personnel but will cover the added cost of employee fringe benefits during the fiscal year 1956. The committee directs that no action be taken to abandon the Panama Railroad until the appropriate committees of Congress have investigated the proposal and indicated their approval.

The United States Government has a net unamortized current investment in the Panama Canal of \$367,764,946, which is computed without allowance for the interest on the cost of the construction incurred from the initiation of the project to the opening of the canal to traffic.

Of this total, nondepreciable items amount to \$286 million; although interest is paid on this portion of our investment, there is no depreciation or amortization paid to the Treasury on this nondepreciable cost—which

is the value of the digging and the locks themselves, but not the cost of the lock machinery—and toll rates as now set would not produce the funds to make such a return. In short, depreciation is being taken only on an amount which is less than one-fourth of our investment, even after the discounting of interest during construction, which has, like certain other chargeoffs, been taken as its value for national defense.

Sections 205 and 206 are proposed by the committee to be added for the Panama Canal which include provision for the promotion of the Governor, who is also President of the Panama Canal Company, and for regulation of the method of computing travel cost under home leave which requires the full cost to the Government to be taken into account.

ADVISORY COMMITTEE ON WEATHER CONTROL

The committee recommends \$295,000 which will enable this committee to complete its work and report to Congress on the need for control of rainmaking and other related activities. The amount recommended is \$120,000 more than the House allowance in the Mount Washington, New Hampshire, area, and is the full amount of the budget estimate. This amount will permit physical evaluation and test of rainmaking techniques and provide for the accumulation and evaluation of data at a more rapid rate.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The committee recommends the amount of the House allowance and the budget estimate, \$280,000, for the administrative expenses of this Corporation. The committee was advised that due to relocation of some of the links in the seaway, the total amount of the United States commitment for the construction will be substantially reduced.

TARIFF COMMISSION

The committee concurs in the action of the House in providing the full amount of the budget estimate of \$1,400,000 for this important Government Commission.

Comparative statement of appropriations for 1955 and estimates and amounts recommended in bill for 1956

TITLE I—DEPARTMENT OF COMMERCE

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in House bill for 1956	Amount recommended by Senate committee	Increase (+) or decrease (—), Senate bill compared with—		
					Appropriations, 1955	Estimates, 1956	House bill
OFFICE OF THE SECRETARY							
Salaries and expenses.....	\$2,050,000	\$2,300,000	\$2,172,000	\$2,217,300	+\$167,300	—\$82,700	+\$45,300
CENSUS BUREAU							
Salaries and expenses.....	6,200,000	7,400,000	6,200,000	7,100,000	+900,000	—300,000	+900,000
Census of agriculture.....	16,000,000	6,000,000	5,500,000	5,500,000	—10,500,000	—500,000	-----
Censuses of business, manufactures, and mineral industries.....	8,430,000	4,655,000	4,000,000	4,000,000	—4,430,000	—655,000	-----
Intercensal housing survey.....	-----	500,000	-----	500,000	+500,000	-----	+500,000
Total, Census Bureau.....	30,630,000	18,555,000	15,700,000	17,100,000	—13,530,000	—1,455,000	+1,400,000
CIVIL AERONAUTICS ADMINISTRATION							
Operation and regulation.....	-----	106,150,000	103,000,000	107,125,000	+107,125,000	+975,000	+4,125,000
Air navigation facilities, establishment of.....	5,000,000	23,000,000	18,500,000	16,000,000	+11,000,000	—7,000,000	—2,500,000
Air navigation facilities, establishment of (liquidation of contract authorization).....	-----	7,000,000	7,000,000	7,000,000	+7,000,000	-----	-----
Grants-in-aid for airports.....	-----	11,000,000	20,000,000	20,000,000	+20,000,000	+9,000,000	-----
Federal-aid airport program (liquidation of contract authorization).....	-----	7,500,000	7,500,000	7,500,000	+7,500,000	-----	-----
Washington National Airport:	-----	-----	-----	-----	-----	-----	-----
Maintenance and operation.....	1,350,000	1,415,000	1,350,000	1,415,000	+65,000	-----	+65,000
Construction.....	340,000	525,000	525,000	525,000	+185,000	-----	-----
Alaska airports, maintenance and operation.....	600,000	750,000	600,000	750,000	+150,000	-----	+150,000
Air navigation development.....	1,050,000	2,000,000	1,050,000	1,600,000	+550,000	—400,000	+550,000
Salaries and expenses.....	198,730,000	-----	-----	-----	—98,730,000	-----	-----
Technical development and evaluation.....	700,000	-----	-----	-----	—700,000	-----	-----
Federal-aid airport program.....	22,000,000	-----	-----	-----	—22,000,000	-----	-----
Claims, Federal Airport Act.....	69,449	-----	-----	-----	—69,449	-----	-----
Land acquisition, additional, Washington Airport.....	16,297	-----	-----	-----	—16,297	-----	-----
Total, Civil Aeronautics Administration.....	129,855,746	159,340,000	159,525,000	161,915,000	+32,059,254	+2,575,000	+2,390,000

Footnotes at end of table.

Comparative statement of appropriations for 1955 and estimates and amounts recommended in bill for 1956—Continued

TITLE I—DEPARTMENT OF COMMERCE—Continued

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in House bill for 1956	Amount recommended by Senate committee	Increase (+) or decrease (—), Senate bill compared with—		
					Appropriations, 1955	Estimates, 1956	House bill
CIVIL AERONAUTICS BOARD							
Salaries and expenses.....	\$3,777,000	\$4,125,000	\$3,900,000	\$4,125,000	+\$348,000	-----	+\$225,000
Payments to air carriers.....	² 48,900,000	63,000,000	40,000,000	55,000,000	+6,100,000	—\$8,000,000	+15,000,000
Total, Civil Aeronautics Board.....	52,677,000	67,125,000	43,900,000	59,125,000	+6,448,000	—8,000,000	+15,225,000
COAST AND GEODETIC SURVEY							
Salaries and expenses.....	10,200,000	10,400,000	10,200,000	10,225,000	+25,000	—175,000	+25,000
BUSINESS AND DEFENSE SERVICES ADMINISTRATION							
Salaries and expenses.....	6,320,000	³ 7,300,000	6,198,000	6,900,000	+580,000	—400,000	+702,000
BUREAU OF FOREIGN COMMERCE							
Salaries and expenses.....	2,000,000	2,200,000	1,800,000	2,200,000	+200,000	-----	+400,000
Export control.....	⁴ 3,481,000	3,000,000	2,500,000	2,800,000	—681,000	—200,000	+300,000
Total, Bureau of Foreign Commerce.....	5,481,000	5,200,000	4,300,000	5,000,000	—481,000	—200,000	+700,000
OFFICE OF BUSINESS ECONOMICS							
Salaries and expenses.....	900,000	1,000,000	975,000	900,000	-----	—100,000	—75,000
MARITIME ACTIVITIES							
Ship construction.....	82,600,000	102,800,000	64,700,000	102,800,000	+20,200,000	-----	+38,100,000
Operating differential subsidies.....	⁵ 115,000,000	115,000,000	90,000,000	115,000,000	+25,000,000	-----	+25,000,000
Salaries and expenses.....	⁶ 13,900,000	15,100,000	14,000,000	14,700,000	+800,000	—400,000	+700,000
Maritime training.....	2,200,000	2,085,000	2,085,000	2,085,000	—115,000	-----	-----
Repair of reserve-fleet facilities.....	⁷ 970,000	-----	-----	-----	—970,000	-----	-----
Repair of reserve-fleet vessels (liquidation of contract authorization).....	12,000,000	6,000,000	6,000,000	6,000,000	—6,000,000	-----	-----
State marine schools.....	⁸ 610,000	-----	660,000	660,000	+50,000	+660,000	-----
Ship mortgage-foreclosure or forfeiture contingencies.....	⁹ 2,019,000	-----	-----	-----	—2,019,000	-----	-----
Vessel operations revolving fund.....	-----	⁽¹⁰⁾ -----	-----	⁽¹¹⁾ -----	-----	-----	-----
War Shipping Administration liquidation.....	⁽¹¹⁾ -----	⁽¹²⁾ -----	⁽¹²⁾ -----	⁽¹²⁾ -----	-----	-----	-----
Total, maritime activities.....	229,299,000	240,985,000	177,445,000	241,245,000	+11,946,000	+260,000	+63,800,000
INLAND WATERWAYS CORPORATION							
Administrative expense limitation.....	(14,000)	(14,000)	-----	(14,000)	-----	-----	(+14,000)
PATENT OFFICE							
Salaries and expenses.....	11,500,000	12,000,000	14,000,000	14,000,000	+2,500,000	+2,000,000	-----
BUREAU OF PUBLIC ROADS							
Federal-aid highways (liquidation).....	¹³ 595,000,000	680,000,000	600,000,000	680,000,000	+85,000,000	-----	+80,000,000
Forest highways (liquidation).....	¹⁴ 18,500,000	25,000,000	18,500,000	25,000,000	+6,500,000	-----	+6,500,000
Inter-American Highway.....	5,750,000	¹⁵ 74,980,000	8,000,000	25,250,000	+19,500,000	—49,730,000	+17,250,000
Public lands highways (liquidation of contract authorization).....	¹⁶ 875,000	2,000,000	2,000,000	2,000,000	+1,125,000	-----	-----
Reimbursement to the highway fund, District of Columbia.....	290,000	-----	-----	-----	—290,000	-----	-----
Total, Bureau of Roads.....	620,415,000	781,980,000	628,500,000	732,250,000	+111,835,000	—49,730,000	+103,750,000
NATIONAL BUREAU OF STANDARDS							
Expenses.....	-----	7,750,000	7,000,000	7,450,000	+7,450,000	—300,000 ¹⁷	+450,000
Plant and equipment.....	-----	¹⁷ 1,015,000	995,000	995,000	+995,000	—20,000	-----
Operation and administration.....	1,000,000	-----	-----	-----	—1,000,000	-----	-----
Research and testing.....	3,150,000	-----	-----	-----	—3,150,000	-----	-----
Radio propagation and standards.....	2,100,000	-----	-----	-----	—2,100,000	-----	-----
Construction of laboratories (liquidation of contract authorization).....	115,000	-----	-----	-----	—115,000	-----	-----
Total, National Bureau of Standards.....	6,365,000	8,765,000	7,995,000	8,445,000	+2,080,000	—320,000	+450,000
WEATHER BUREAU							
Salaries and expenses.....	¹⁸ 24,940,000	27,850,000	29,900,000	32,000,000	+7,060,000	+4,150,000	+2,100,000
Establishment of meteorological facilities.....	-----	5,000,000	5,000,000	5,000,000	+5,000,000	-----	-----
Total, Weather Bureau.....	24,940,000	32,850,000	34,900,000	37,000,000	+12,060,000	+4,150,000	+2,100,000
Total, title I.....	1,130,632,746	1,347,800,000	1,105,810,000	1,296,322,300	+165,689,554	—51,477,700	+190,512,300

¹ Includes \$650,000 derived by transfer pursuant to Second Supplemental Appropriation Act, 1955.² Includes \$3,900,000 contained in Second Supplemental Appropriation Act, 1955.³ Includes \$250,000 contained in H. Doc. No. 126.⁴ Excludes \$119,000 transferred to other appropriations pursuant to Second Supplemental Appropriation Act, 1955.⁵ Includes \$50,000,000 contained in Second Supplemental Appropriation Act, 1955.⁶ Includes \$400,000 contained in Second Supplemental Appropriation Act, 1955.⁷ Contained in Second Supplemental Appropriation Act, 1955.⁸ Excludes \$50,000 transferred to other appropriations pursuant to Second Supplemental Appropriation Act, 1955.⁹ Excludes \$481,000 transferred to other appropriations pursuant to Second Supplemental Appropriation Act, 1955.¹⁰ Language authorizing use of fund for ship mortgage foreclosure, etc.¹¹ Not to exceed \$6,000,000 of unexpended balance continued available.¹² Not to exceed \$5,900,000 of unexpended balance to be continued available.¹³ Includes \$95,000,000 contained in Second Supplemental Appropriation Act, 1955.¹⁴ Includes \$3,500,000 contained in Second Supplemental Appropriation Act, 1955.¹⁵ Includes \$69,230,000 contained in H. Doc. No. 126.¹⁶ Contained in Second Supplemental Appropriation Act, 1955.¹⁷ Includes \$765,000 contained in H. Doc. No. 126.¹⁸ Includes \$190,000 derived by transfer pursuant to Second Supplemental Appropriation Act, 1955.

Comparative statement of appropriations for 1955 and estimates and amounts recommended in bill for 1956—Continued

TITLE II—THE CANAL ZONE

Agency and item	Appropriations, 1955	Estimates, 1956	Recommended in House bill for 1956	Amount recommended by Senate committee	Increase (+) or decrease (—), Senate bill compared with—		
					Appropriations, 1955	Estimates, 1956	House bill
CANAL ZONE GOVERNMENT							
Operating expenses.....	¹⁰ \$14,018,000	\$15,017,000	\$14,500,000	\$14,800,000	+\$782,000	—\$217,000	+\$300,000
Capital outlay.....	1,415,000	1,881,000	1,800,000	1,800,000	+385,000	—81,000	-----
Total, Canal Zone Government.....	15,433,000	16,898,000	16,300,000	16,600,000	+1,167,000	—298,000	+300,000
PANAMA CANAL COMPANY							
Administrative expense, limitation.....	(3,589,000)	(3,850,000)	(3,589,000)	(3,740,000)	(+151,000)	(—110,000)	(+151,000)
Total, title II.....	15,433,000	16,898,000	16,300,000	16,600,000	+1,167,000	—298,000	+300,000

TITLE III—INDEPENDENT AGENCIES

Advisory Committee on Weather Control.....	\$120,000	\$295,000	\$175,000	\$295,000	+\$175,000	-----	+\$120,000
St. Lawrence Seaway Development Corporation (Administrative expense limitation).....	(250,000)	(280,000)	(280,000)	(280,000)	(+30,000)	-----	-----
Tariff Commission.....	1,327,000	1,400,000	1,400,000	1,400,000	+73,000	-----	-----
Total, title III.....	1,447,000	1,695,000	1,575,000	1,695,000	+248,000	-----	+120,000
Grand total, titles I, II, and III.....	1,147,512,746	1,366,393,000	1,123,685,000	1,314,617,300	+167,104,554	-51,775,700	+190,932,300

¹⁰ Includes \$230,000 contained in Second Supplemental Appropriation Act, 1955.

Comparative statement of appropriations for 1955 and the estimates for 1956

TRUST FUNDS

[Not a charge against revenue]

	Appropriation estimate, 1955	Appropriation estimate, 1956	Increase (+) or decrease (—)
DEPARTMENT OF COMMERCE			
BUREAU OF THE CENSUS			
Special statistical work.....	\$1,000,000	\$900,000	-\$100,000
CIVIL AERONAUTICS ADMINISTRATION			
Gifts and donations.....	48,788	-----	-48,788
BUSINESS AND DEFENSE SERVICES ADMINISTRATION			
Expenses, transcripts of studies, tables, and other records.....	70,000	70,000	-----
Special statistical work.....	10,000	10,000	-----
MARITIME ACTIVITIES			
U. S. Merchant Marine Academy, Kings Point, N. Y.....	5,000	5,000	-----
BUREAU OF PUBLIC ROADS			
Cooperative work, forest highways.....	30,000	-----	-30,000
Equipment supplies, etc., for cooperating countries.....	500,000	500,000	-----
Technical assistance, United States dollars advanced from foreign governments.....	3,390,396	1,000,000	-2,390,396
NATIONAL BUREAU OF STANDARDS			
Gifts and bequests.....	68,400	46,000	-22,400
Special statistical work.....	500	500	-----
WEATHER BUREAU			
Special statistical work.....	1,339	-----	-1,339
Total, Department of Commerce.....	5,124,423	2,531,500	-2,592,923

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, under the subhead "Bureau of the Census", on page 2, line 8, after the word "amended", to strike out "\$6,200,000" and insert "\$7,100,000."

The amendment was agreed to.

The next amendment was, on page 3, after line 3, to insert:

Intercensal housing survey: For expenses necessary for conducting an interim survey of housing, including personal services by contract or otherwise at rates to be fixed by the Secretary of Commerce without regard to the Classification Act of 1949, as amended; and compensation of Federal employees temporarily detailed for field work under this appropriation; \$500,000.

The amendment was agreed to.

The next amendment was, under the subhead "Civil Aeronautics Administration", on page 4, line 8, after the word "snowshoes", to strike out "\$103,000,000" and insert "\$107,125,000."

The amendment was agreed to.

The next amendment was, on page 5, at the beginning of line 1, to strike out "\$18,500,000" and insert "\$16,000,000."

Mr. HUMPHREY. Mr. President, will the Senator from Florida yield for a question at that point?

Mr. HOLLAND. I yield.

Mr. HUMPHREY. Does the reduction from \$18,500,000 to \$16,000,000 affect the matter of the smaller weather bureau facilities in the smaller communities throughout the country?

Mr. HOLLAND. It does not. All the smaller weather facilities which were to have been abandoned under the budget estimate in 31 communities are to be restored under another figure appearing in the item previously agreed to.

Furthermore, the Senate action, if it follows the recommendation of the committee, would prevent the closing of 30 other facilities of that nature, which would have been closed if the House action had prevailed.

The effect of this amendment reducing the appropriation of \$18,500,000 included in the House bill, would be to slow down somewhat the adding of new facilities. The appropriation in this field last year was \$5 million.

Mr. HUMPHREY. I recall that.

Mr. HOLLAND. We step it up to \$16 million instead of to the \$18,500,000 which the House provided, but suggested, which means there is still an increase of a little more than three times the appropriation of last year.

The reason we suggest this more deliberate approach is that, as the Senator from Minnesota well knows, there is a question pending as to what kind of air navigation facilities will be adopted by the Nation for a long-range program. We think, after investigation, that the program can be slowed down in a minor way without in any way crippling air navigation, and, in fact, we understand that some of the navigation facilities would not have been installed in this coming year at any rate. Therefore we suggest that minor reduction.

Mr. HUMPHREY. I thank the Senator for the information. I raised the point primarily because of a very unfortunate situation which occurred at Duluth, Minn. I had to come to the floor of the Senate about 3 years ago in reference to the Duluth Airport, where there was a conflict between the Civil Aeronautics Administration and the Department of the Air Force.

An interceptor squadron is located at Duluth. A National Guard unit is also located at the Duluth Airport, and there is also commercial aviation there. The North Central Airlines operate out of Duluth. At one time the Northwest Airlines also came into Duluth.

Senators may find it hard to believe that the Government of the United States denied all funds for a period of time for even a control tower operation at that airport, despite the fact that hundreds of passengers were going in and out of the airport and despite the fact that hundreds of flights were taking place every week in terms of the Air Force itself.

Am I assured that there are funds provided in the bill to keep open the control tower at the Duluth Airport and other airports in the State of Minnesota which have control towers at the present time under the jurisdiction of the CAA?

Mr. HOLLAND. There are such funds contained in the bill, I assure the Senator. As a matter of fact, not only is that true of his State, but it is also true of all the States where there are operating facilities at the present time. None of those operating facilities will be disestablished under a direction given to the Civil Aeronautics Administration by the report of the committee. The CAA is required to report to the Congress its full flight-control and flight-safety program. Incidentally, we expect the report to be filed with us before the next appropriation bill comes before the Congress—the direction contained in the report of the committee.

Mr. HUMPHREY. But there is no danger under this appropriation item that there will be a closing down of any facilities which are now operating in terms of a control tower. Is that correct? I am thinking now of control towers.

Mr. HOLLAND. The Senator is completely correct, with respect to both control towers and the other navigational

facilities which are now in operation. None of them will be disestablished under the committee report.

Mr. HUMPHREY. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 5 at the beginning of line 1, to strike out "\$18,500,000" and insert in lieu thereof "\$16,000,000."

The amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, on page 6, line 4, after the word "ammunition", to strike out "\$1,350,000" and insert "\$1,415,000."

The amendment was agreed to.

The next amendment was, on page 6, line 14, after the word "uniforms", to strike out "\$600,000" and insert "\$750,000."

The amendment was agreed to.

The next amendment was, on page 6, line 24, after the word "exceed", to strike out "\$50,000" and insert "\$175,000"; and at the beginning of line 25, to strike out "\$1,050,000" and insert "\$1,600,000."

The amendment was agreed to.

The next amendment was, under the subhead "Civil Aeronautics Board," on page 7, line 10, after the word "aircraft", to strike out "\$3,900,000" and insert "\$4,125,000."

The amendment was agreed to.

The next amendment was, on page 7, line 16, after "1953", to strike out "\$40,000,000" and insert "\$55,000,000."

Mr. DOUGLAS. Mr. President, I discussed this item yesterday on the floor of the Senate. I shall oppose the increase recommended by the committee, and, in view of the lateness of the hour, I ask that the amendment go over until tomorrow.

Mr. HOLLAND. That course of procedure is completely agreeable to me. What I am trying to do is to clear up all amendments on which action can be taken tonight. I understand that there are perhaps three additional amendments which are prepared and which involve substantial sums, and which I believe ought to be debated when more Senators are present than there are now.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

Mr. HUMPHREY. Mr. President, the Senator from Florida may recall that we had a private conversation with reference to the item of \$20 million for grants-in-aid for airports.

Mr. HOLLAND. I do.

Mr. HUMPHREY. The junior Senator from Minnesota has been keenly interested in this grant-in-aid airport program. I have a letter from the Commissioner of Aeronautics of the State of Minnesota, urging that more money be appropriated. He states that the \$20 million provided "is nonetheless insufficient to meet the existing needs in the State of Minnesota and the other 47 States; nor is it sufficient to fulfill the policy of the committees of the Congress under the Federal Airport Act of 1946."

Likewise, I have received a letter from the mayor of Minneapolis, Minn., who is a member of the Metropolitan Airport

Commission, calling my attention to the inadequacy of the \$20 million fund.

I wish to ask the Senator from Florida whether this amount was agreed to in contemplation of the fact that additional legislation may be reported to the Senate which would augment and supplement the airport construction program. I am referring to a bill which is now pending before the Committee on Interstate and Foreign Commerce, with which the Senator from Florida is familiar.

Mr. HOLLAND. I am familiar with that bill. The distinguished Senator from Washington [Mr. MAGNUSON], who is the chairman of that committee, is more familiar with it than I am, but I shall be very happy to relate what transpired in the Appropriations Committee and to give the Senator from Minnesota such assurance as I am able to give him.

In the first place, the budgeted amount for this item, which appears at page 5 of the printed bill, was \$11 million, instead of \$20 million, as provided in the bill.

The House stepped up the item from \$11 million to \$20 million. In other words, it added \$9 million.

The Senate, recognizing the situation which the Senator from Minnesota has very ably described, was requested by many agencies to consider adding more than the \$20 million. However, upon consideration we found it to be a fact that many communities which have already voted bonds and have money in the bank and are paying interest on it cannot qualify under the standards set pursuant to the present law, and that many additional communities which want to come into the program and to have airports constructed and airport facilities improved in their areas cannot qualify, although they make very powerful cases for such action.

Because of that fact, there now is pending in the Committees on Interstate and Foreign Commerce of both bodies dealing with this subject proposed legislation which restates the standards and which will allow much greater flexibility and a much more accurate approach to the program in connection with bringing into it other airports in addition to those which are now included.

The Senator from Washington, as the Senator from Minnesota knows, is a member of the Committee on Appropriations. When this point was brought up in the full committee's discussions of this subject, the Senator from Washington suggested that we should not recommend a further increase, but should await the passage of the proposed legislation pending in committee, which he believes will be passed without fail at this session of Congress.

He indicated to us that, in addition to a restatement of the standards so as to make them much more applicable to present conditions, the new law would also contain very large contractual authority which would make it possible to move promptly ahead in the field which the Senator has in mind. So I am able

to give assurance that that is the prospect, and it is so stated by the able chairman of the legislative committee which has the proposed legislation under consideration.

Mr. HUMPHREY. Does the Senator recall what the amount was under this particular item in last year's bill?

Mr. HOLLAND. The appropriation last year was \$20,150,000 for this same purpose. The budget recommendation this year was \$11 million, and, as I have stated, the Senate committee recommends \$20 million, which is the same amount provided by the House.

Mr. HUMPHREY. I merely wish to say that I have had so many communications in reference to this airport grant-in-aid program that I have been deeply concerned about the amount of money to be appropriated. Apparently the appropriation contained in this bill will severely limit activities under the Airport Development Act. I am only hoping that the proposed legislation which is now before the Committee on Interstate and Foreign Commerce, on which I understand the Senator from Oklahoma [Mr. MONRONEY] has been conducting hearings, will be reported so that the contract authorization may be made available.

Mr. President, since we are going to take this matter up tomorrow, I should like to reserve the right to offer an amendment which would increase the sum by \$5 million. I should like to talk to the Senator from Florida about it.

Mr. HOLLAND. I hope the Senator will not follow that course because I believe that, as a matter of fact, we are going to find the agencies more or less marking time until new legislation is reported and passed because of the many inequities as between equally ambitious and equally meritorious communities which it is desired to straighten out. However, the Senator does not need to reserve the point because this is not a committee amendment, and we will dispose of only committee amendments tonight.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. JOHNSON of Texas. Mr. President, when the Senate took a recess last Thursday it was thought that the Commerce Department appropriation bill would be reported on Friday, and there would be little controversy involved. Therefore, we had only a routine session on Friday, and we had no session on Saturday. Last year we were meeting on Saturdays and at night, and as early as the middle of March we resisted a motion to meet late in the evening. I have no desire to keep the Senate in session this afternoon any later than the distinguished chairman of the subcommittee wishes to keep it. I had the feeling that there were only two or three controversial amendments and that if those 2 or 3 amendments could be cleared up the bill could be acted on by possibly the noon hour tomorrow or a little after that time.

The Senate must consider the Draft Act, the Austrian Treaty, and the Defense Department appropriation bill.

There are about eight appropriation bills which have not yet passed this body. The end of the fiscal year is only 14 days away. There are four bills which have passed this body on which conferees have not yet been appointed. Because of a desire to accommodate certain Senators, we did not hold a session on Monday. It was hoped that we could take care of this bill on Tuesday. We did not get through with it on Tuesday. Today considerable time has been spent on a conference report, and there have been several speeches. We are not going to get through with the bill today, but I hope we can act on every amendment before today's session ends, and we are prepared to remain as late as the distinguished chairman of the subcommittee desires.

Mr. HOLLAND. I thank the distinguished majority leader. I am just as anxious as is the majority leader or anyone else to proceed with the debate on the bill. The desire now is to clear up all the committee amendments except three which I understand have been objected to. If there are others, I do not know of them.

There is an amendment which the distinguished senior Senator from Rhode Island [Mr. GREEN] wishes to offer. The matter mentioned by the Senator from Minnesota, which somewhat departs from the understanding I had a few minutes ago, would not affect the committee amendments. I hope it will be found that the Senator from Minnesota will not go ahead with the offer of an amendment in that particular field. However, he has a right to do so if he wishes. I know of only 4 amendments, 3 to commit amendments, 1 of which has been mentioned by the Senator from Illinois, who gave clear notice yesterday of his intention to offer it.

Mr. DOUGLAS. I am not going to offer an amendment. I am going to oppose a committee amendment.

Mr. HOLLAND. That will be in accordance with parliamentary procedure. At any rate, there are three committee amendments which will need to be debated. Insofar as I know, there will be at least one amendment which is not an amendment to a committee amendment. That is the amendment of the Senator from Rhode Island [Mr. GREEN]. I know of no others that need to go over until tomorrow. However, I have been frequently taken by surprise on the floor of the Senate. Some Senators, after a good night's sleep, may feel that they can add to or subtract substantial sums from the bill. I can only report that the prospect is that there will be three committee amendments which will need discussion in the morning, and one amendment which is not a committee amendment.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. JOHNSON of Texas. If we are all going to have a good night's sleep and feel better in the morning, I should like to offer this suggestion for what it may be worth. The bill has been before the Senate for 3 days, and it may be before it another day, not because of the bill itself and the amendments pending, but there may be a

speech on agriculture or civil defense or foreign trade in the middle of the debate on the bill. If there were some way to require Senators, after making their speeches, to remain here and help us pass the bill, perhaps we could make more progress.

I wonder if the chairman of the subcommittee and the authors of the amendments would give some thought to an agreement which would allot whatever time they think is necessary for each side to discuss the amendments. In that way, extraneous speeches could be made earlier in the morning or later in the afternoon, and in the interim the Senate could devote its time to the pending business.

Mr. HOLLAND. I am quite agreeable to a limitation of time. I suggest that the matter be discussed with the Senator from Illinois and the Senator from Delaware. I think they will feel that the time should be limited. I hope they will. Any arrangement which may be worked out with them will be agreeable with me.

Mr. DOUGLAS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. DOUGLAS. I dislike to disappoint my good friends from Texas and Florida, respectively, in regard to the question of airmail subsidies. I think the Senator from Delaware wishes to say something about ship subsidies.

Mr. HOLLAND. I may say, with all good humor, that this would not be the first time I have been disappointed by my distinguished friend from Illinois. This is nothing new. We will prepare for whatever time may be needed tomorrow.

Mr. JOHNSON of Texas. I was not at all disappointed. That is why I did not address my inquiry to the Senator from Illinois. I have been here all afternoon listening to the discussion. I can understand the Senator's not wanting to have a rigid limitation. I did not propose a rigid limitation; although when I sit here and listen to extraneous discussion, which does not pertain to the bill, I sometimes wonder why Senators would not be considerate enough to discuss the bill pending at the time.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. When I finish, I shall be glad to yield, unless it is more important that the Senator speak now. I will yield, Mr. President.

Mr. HOLLAND. The Senator from Texas does not have the floor. If he wishes, I will yield to the Senator from Illinois.

Mr. DOUGLAS. I would appreciate it if the Senator from Texas would finish his statement.

Mr. JOHNSON of Texas. I do not want to place a rigid time limitation on any Senator. There was nothing in my suggestion which indicated that the limitation should be very rigid. I suggested that during the evening and in the early morning tomorrow the chairman of the subcommittee and the authors of the amendments give consideration to the amount of time they thought they would need on the amendments in question. If they thought they could do so, then at

some definite time the Senate could take action on the amendments.

The problem is not the time required for debate on amendments; it is the time which is taken on matters totally unrelated to the bill.

Senators have come to the floor with speeches requiring 20 minutes, an hour and 20 minutes, and some requiring 2 hours and 20 minutes. The distinguished chairman of the subcommittee has reminded me that he has been sitting in the Senate all day. He is one of the few Senators who have been here all day; but, nevertheless, he has been unable to get action on the bill.

I hope the Senator from Illinois, the Senator from Delaware, and any other Senators who have amendments can perhaps determine in their own minds the amount of time they feel they would like to have. If that could be done, perhaps a weekend session could be avoided. Perhaps evening sessions could be avoided.

The cold, hard truth is that 14 days remain in June, and 8 appropriation bills are pending. Some of the appropriation bills will require as much time as the Commerce Department appropriation bill.

There are Senators who do not want to vote on the Defense Department appropriation bill on Saturday. Many Senators do not plan to be here on Monday. Several amendment will be proposed to the Defense Department appropriation bill, which involves a large sum of money.

The Public Works appropriation bill is awaiting action in the House today. It is about ready to be reported. In the Senate debate on that bill will require some time.

It will be all right with me if the time of the Senate is consumed in talking about subjects unrelated to the pending business, and I will be here, and I will listen. But I do not want any Senator to think that he is being placed in a straitjacket or is being asked to conform to a rigid time schedule, because I have suggested that thought be given to the amount of time Senators may want to consume, in order that the discussion and attention can be directed to the pending business, instead of to some extraneous subject, to speeches on which other Senators do not care to listen.

Mr. DOUGLAS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from Illinois.

Mr. DOUGLAS. I may say to my good friend from Texas that, of course, I will give thought to the amount of time I think should be taken to discuss the very important question of air subsidies. I shall not take any more time than is absolutely necessary.

There is always the danger that one may take comments made by another in an unduly personal fashion. I am certain that the Senator from Texas did not mean to make any personal reference.

Yesterday I discussed the bill for approximately an hour. I think the time was well spent. Today we had sprung upon us, and, under the rules of the Senate, perfectly properly, the confer-

ence report on H. R. 1, perhaps one of the most important measures which has been presented to Congress at this session. I felt that since that was the matter before the Senate, I was justified in discussing it and expressing my disappointment at the stand of the administration.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield at that point?

Mr. DOUGLAS. I wish to finish my statement; then I will yield.

So far as I am aware, neither today nor at other times have I spoken irrelevantly. I have tried to confine my speeches to the matters under consideration by the Senate.

I may say to the Senator from Texas that I canceled all my Illinois engagements for the month of June. I am prepared to give all the strength I have to trying, in my small way, to expedite as much as possible the measures before the Senate.

But free discussion is the basis of democracy. I feel very strongly about the air subsidy, and I hope the Senator from Texas will not regard it in any sense as a reflection upon his leadership if I say that I think that subject should be gone into in detail, but, of course, I hope not at excessive length.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. JOHNSON of Texas. I have made no personal reference to the speech of the Senator from Illinois; as a matter of fact, I did not hear the Senator's speech. However, I heard some speeches which had nothing to do with the Trade Agreements Act or the appropriation bill.

Some Senators came to me and said, "We would like to have some action on the bill. Can you prevail on Senators to withhold their speeches until action has been concluded on the bill?"

I prevailed on one Senator to withhold his speech, and he very graciously yielded to me so that action could be concluded on the conference report on the trade-agreements bill.

I know nothing about the nature of the amendments to be offered by the Senator from Delaware and the Senator from Illinois. So far as I am concerned, I am perfectly willing to cooperate with them and to urge the Senate to take as much time as they themselves think they need. But when they want to conserve their strength, and they have amendments pending, the situation becomes quite difficult, if some Senator comes to the floor with a 2-hour or a 3-hour speech pertaining to the Dust Bowl, for example, which has no relationship to the appropriation bill. Other Senators will then leave the floor; and when they have been called back to the floor, another Senator perhaps may begin speaking about another subject, also unrelated to the bill.

Progress with the pending bill has not been very unsatisfactory, but the Senate has 2 or 3 important measures which are now pressing, principally the Selective Service Act, which will expire soon. The bill providing for the extension of that act will have to go to conference after it has passed the Senate.

If there are only three amendments to be proposed to the pending appropriation bill, and the Senators who intend to offer the amendments will give some thought to the amount of time they wish to take, and will multiply by 2 the figure they arrive at, I think the authors of the amendments and the chairman of the subcommittee would be given protection from speeches which have no bearing on the bill or the amendments.

But it is not important. We can wait. Perhaps we are taking more time to discuss the question than should be taken.

Mr. DOUGLAS. Mr. President, will the Senator from Florida yield further?

Mr. HOLLAND. I yield further.

Mr. DOUGLAS. I do not wish to take additional time to discuss methods of reducing the amount of time needed to discuss the amendments.

I have always believed that it might be well if, in some way, the Senate could adopt the procedure of the House, which the Senator from Texas graced for so many years, so as to confine speeches, while a bill was under consideration, to the bill itself, and to set aside the time after 5 o'clock for general speeches. I think that would be a very excellent procedure. Some modification of the rule of relevance might be made.

I am delighted to see that that is the direction in which the Senator from Texas is moving. I hope he will join many of us in seeing to it that the question of the discontinuance of the practice of prolonged discussions on subjects not related to measures under consideration will be speedily placed before the Senate by the Democratic leadership and pushed to successful completion. If that be done, I am certain it will gain the support of many Senators.

To return to the point under consideration, there are many things connected with air subsidies and I think also, as the Senator from Delaware will point out, in connection with ship subsidies, about which Congress and the public should know. It is not a waste of time to discuss them.

Nevertheless, we shall, I am certain, try to discuss them in good temper, and shall try not to be excessively redundant.

I hope the Senator from Texas, with his good nature, will prevail upon Senators who wish to speak on extraneous subjects to confine their remarks to a more opportune time.

Mr. JOHNSON of Texas. If the Senator from Illinois feels he should like to follow the House procedure, he can do so on tomorrow by specifying to how much time he desires. Then we will put the rule into effect so far as time is concerned.

Mr. DOUGLAS. I think it would be desirable to have a combination of both the methods of the House and of the Senate. I do not approve of the rigid rules which have been adopted in the House with respect to restricting debate, but I do approve of the practice of the 5 o'clock hour, whereby speeches of a general nature are made after the business of the day has been consummated.

Mr. JOHNSON of Texas. I have been appealing to Senators to do that today, but they, like the Senator from Illinois,

do not want to be put in any strait-jacket, and do not want any rigid rules applied to them. It is all right to have rigid rules when they are applied to somebody else, but one becomes a little concerned when there is talk of applying such rules to him.

Notice has been given that the Senate will convene at 10 o'clock tomorrow morning. So far as I am concerned, every Senator who has an amendment to offer should have an opportunity to talk on the amendment as long as he feels there is any value in what he is saying. Every Senator ought to have a chance to be recorded. The majority leader will do everything in his power to bring that about. I hope the Senate may be able to complete action on the bill tomorrow. The Senate will convene at 10 o'clock in the morning, and, if necessary, will remain in session until late in the evening.

After completion of the pending bill, consideration of the extension of the draft act is expected to follow. I expect to follow completion of action on that bill with action on the Austrian treaty. That will be followed by consideration of the Defense Department appropriation bill.

I want the RECORD to show, and I want Senators present to know, that it may be necessary to have Saturday sessions and night sessions from now until the end of the fiscal year, because I do not want the responsibility of holding up action on appropriation bills beyond the end of this fiscal year.

I shall do everything in my power, whether it is after 5 o'clock or at 2 or 3 o'clock in the afternoon, to see that Senators discuss the pending business. There is a morning hour each morning, during which time Senators may make brief statements. There has not been an evening during this session when, if a Senator so desired, he has been deprived of the opportunity of making a speech. We have had what the Senator from Illinois refers to as the 5 o'clock hour. The trouble is not many Senators are here at 5 o'clock to know we have one. The majority leader sits in the Senate for an hour, or 2 hours, or two and a half hours, and hears statements which should be made after the 5 o'clock hour. Some of them were made today in the middle of the consideration of the conference report on the reciprocal trade bill. He heard some of them made after the Senate proceeded to consider the Commerce Department appropriation bill. The Senator from Illinois did not hear them, so he thought I was talking about him. I make no personal references. All I am attempting to do is work out the procedure satisfactorily. I do not want to change the rules in order that that may be done; I merely want to have Senators give some thought to the question. Perhaps they will be willing to go along.

Mr. HOLLAND. Mr. President, I think we are making progress. We have proceeded to page 7. I understand there is one amendment—

Mr. DOUGLAS. Mr. President, if the Senator from Florida will yield, I should like, for the sake of the RECORD, to point out that neither the Senator from Illinois nor the Senator from Delaware is

offering amendments. What we are doing is opposing committee amendments.

Mr. HOLLAND. Mr. President, what I was about to say, before the Senator from Illinois made his remarks, was that there was one amendment of the committee which will have to be discussed. If the clerk will proceed reading the amendments, I think we can make further progress.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). The clerk will state the next committee amendment.

The next amendment was, under the subhead "Coast and Geodetic Survey," on page 8, at the beginning of line 13, to strike out "\$10,200,000" and insert "\$10,225,000."

The amendment was agreed to.

The next amendment was, under the subhead "Business and Defense Services Administration," on page 8, line 24, to strike out "\$6,198,000" and insert "\$6,900,000."

Mr. WILLIAMS. Mr. President, upon the request of the Senator from South Dakota, I ask that this amendment go over until tomorrow.

Mr. HOLLAND. I have no objection to that course being followed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the next committee amendment.

The next amendment was, under the subhead "Bureau of Foreign Commerce," on page 9, line 4, after the word "reports", to strike out "\$1,800,000" and insert "\$2,200,000."

The amendment was agreed to.

The next amendment was, on page 9, at the beginning of line 10, to strike out "\$2,500,000" and insert "\$2,800,000"; and in line 13, after the word "exceed", to strike out "\$75,000" and insert "\$90,000."

The amendment was agreed to.

The next amendment was, under the subhead "Office of Business Economics," on page 9, line 18, after the word "Economics", to strike out "\$975,000" and insert "\$900,000."

The amendment was agreed to.

Mr. HOLLAND. Mr. President, we have to come to the subhead "Maritime Activities," near the bottom of page 9. I understand the Senator from Delaware wishes to be heard on this committee amendment. Is that correct?

Mr. WILLIAMS. Mr. President, there are certain committee amendments in different sections of the bill which are going to be opposed. I should like to ask that the maritime activities section go over in its entirety until tomorrow, because the adoption or rejection of some of the amendments will affect the action to be taken on other amendments. I think we can make progress if we proceed with the amendments beginning on page 18 of the bill.

Mr. HOLLAND. Mr. President, I agree with the distinguished Senator that several of the committee amendments will stand or fall together, but it appears to me that beginning on page 12, at the bottom of that page, there are several minor amendments, from there to the end of that provision which have no direct relationship to others.

Mr. WILLIAMS. So far as the Senator from Delaware is concerned, that is correct, but I was not quite sure, from the information left with me, whether some question might be raised by other Senators as to those amendments. So far as I am concerned, I have no objection to many of the items contained in that section of the bill.

Mr. HOLLAND. Mr. President, if the Senator suggests it, suppose we pass over all that part of the bill which appears under the heading "Maritime Activities."

Mr. WILLIAMS. I think we can make progress by doing so, and I say that without any prejudice to some of the amendments to which I have personally no objection.

Mr. HOLLAND. Mr. President, that will carry us through page 17 of the bill.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, under the subhead "Bureau of Public Roads," on page 19, line 11, after the word "expended", to strike out "\$600,000,000" and insert "\$680,000,000"; and in line 13, after the numerals "1954", to strike out "\$248,500,000" and insert "\$328,500,000."

The amendment was agreed to.

The next amendment was, on page 20, line 8, after the word "expended", to strike out "\$18,500,000" and insert "\$25,000,000, which sum is composed of \$19,000,000, the remainder of the amount authorized to be appropriated for the fiscal year 1955, and \$6,000,000"; and at the beginning of line 12, to strike out "1955" and insert "1956."

The amendment was agreed to.

The next amendment was, on page 20, line 23, after "(66 Stat. 158)", to strike out "\$8,000,000" and insert "including purchase of five passenger motor vehicles, \$25,250,000."

The amendment was agreed to.

The next amendment was, under the subhead "National Bureau of Standards," on page 23, line 8, after "(15 U. S. C. 286)", to strike out "\$7,000,000" and insert "\$7,450,000."

The amendment was agreed to.

The next amendment was, on page 23, line 20, after the word "facilities", to insert "and construction of an electronic calibration center at a cost not to exceed \$765,000."

The amendment was agreed to.

The next amendment was, under the subhead "Weather Bureau," on page 24, at the beginning of line 6, to strike out "\$29,900,000" and insert "\$32,000,000 of which \$4,250,000 shall be available only for the improvement and operation of hurricane, severe storm, and tornado warning services in the United States, including research related thereto, and construction of necessary facilities."

The amendment was agreed to.

The next amendment was, under the subhead "General Provisions—Department of Commerce," on page 25, after line 16, to insert:

SEC. 104. Not to exceed 5 percent of any appropriations of the Department of Commerce available for salaries and expenses may be transferred to any other such appropriation, but no such appropriation shall

be thereby increased by more than 5 percent: *Provided*, That such transfers shall be in addition to any other transfers authorized by law, but no such transfer shall be used for the creation of new functions within the Department: *Provided further*, That not to exceed \$5,000 of such transfers shall be available for entertainment.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Rhode Island.

Mr. GREEN. I wish to take this opportunity to ask the Senator from Florida whether he is willing to accept an amendment on line 2, page 25 of the bill, which would strike out "\$5,000,000" and insert "\$10,000,000." It has been proposed and advocated by a number of Senators that such an amendment be made.

Mr. HOLLAND. The appropriation would be increased from \$5 million to what figure?

Mr. GREEN. The amendment calls for an increase from \$5 million to \$10 million.

Mr. HOLLAND. No. The Senator from Florida would not be in a position to accept that amendment at this time. We are considering committee amendments. That would be an amendment not under that head. I shall be glad to discuss the matter with the distinguished Senator from Rhode Island between now and tomorrow morning.

Mr. GREEN. I thought I would bring the matter up at this time, since we had reached that point in the bill.

The PRESIDING OFFICER. The amendment to be offered by the Senator from Rhode Island will go over for later action.

Mr. HOLLAND. Mr. President, all amendments which are not committee amendments will be considered tomorrow, and I expect to discuss the matter with my distinguished friend from Rhode Island between now and tomorrow morning.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 25, after line 16.

The amendment was agreed to.

Mr. WILLIAMS. Mr. President, have the committee amendments which constitute both sections 104 and 105 been agreed to?

The PRESIDING OFFICER. The committee amendment constituting section 104 has been agreed to.

The next committee amendment will be stated.

The next amendment was, on page 26, after line 2, to insert:

SEC. 105. Hereafter the position of Budget Officer of the Department shall be in GS-17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

Mr. WILLIAMS. Mr. President, I have a request that that amendment also go over until tomorrow.

The PRESIDING OFFICER. Without objection, the amendment will go over until tomorrow, with the other amendments ordered to be passed over.

Mr. HOLLAND. Mr. President, that is not the committee amendment which constitutes a new section 104; is it?

Mr. WILLIAMS. It is the committee amendment constituting a new section 105, on page 26.

The PRESIDING OFFICER. Yes; on page 26, beginning in line 3.

Mr. HOLLAND. And not the new section 104; is that correct?

Mr. WILLIAMS. That is correct.

Mr. HOLLAND. I thank the Senator from Delaware. That course is acceptable.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, under the heading "Title II—The Panama Canal—Canal Zone Government," on page 27, line 2, after the word "transfusions", to strike out "\$14,500,000" and insert "\$14,800,000."

The amendment was agreed to.

The next amendment was, on page 27, line 7, after the word "exceed", to strike out "six" and insert "eight."

The amendment was agreed to.

The next amendment was, under the subhead "Panama Canal Company," on page 27, line 21, after the word "exceed", to strike out "\$3,589,000" and insert "\$3,740,000."

The amendment was agreed to.

The next amendment was, under the subhead "General Provisions—The Panama Canal," on page 31, after line 5, to insert:

SEC. 205. The Governor of the Canal Zone and the President of the Panama Canal Company, in computing allowances for the cost of travel on home leave for persons who elect at their expense to take other than the lowest first-class travel to the United States, shall take into account as the cost to the United States the actual cost, as computed by the General Accounting Office, of travel by United States owned and operated vessels rather than a reduced fare rate which is available for such employees when traveling on their own account.

The amendment was agreed to.

The next amendment was, on page 31, after line 15, to insert:

SEC. 206. Notwithstanding the provisions of any other law the officer of the Army now serving as Governor of the Canal Zone shall, effective July 1, 1955, be considered to hold the grade of major general for all purposes, without regard to any limitations on the number of officers in that grade, and while so serving shall receive the pay and allowances of an officer of that grade and his length of service, and when retired under any provision of law shall be advanced on the retired list to such grade and shall receive the retired or retirement pay at the rate prescribed by law computed on the basis of the basic pay which he would receive if serving on active duty in such grade.

Mr. WILLIAMS. Mr. President, I have the same request in regard to that amendment.

Mr. HOLLAND. Then, Mr. President, without objection, that committee amendment will also be passed over until tomorrow morning.

The PRESIDING OFFICER. Without objection, the amendment will be passed over until tomorrow, along with the other committee amendments so passed over.

The next committee amendment will be stated.

The next amendment was, under the heading "Title III—Independent Agencies—Advisory Committee on Weather Control," on page 32, line 9, after "(5 U. S. C. 55a)", to strike out "\$175,000" and insert "\$295,000."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments, except for the ones which have been passed over until tomorrow.

Mr. HOLLAND. Mr. President, I should like to make a further comment. As I understand, there are two committee amendments which certainly will require discussion tomorrow, namely, the one opposed by the Senator from Illinois, which is the amendment relative to airline subsidies payable by the Civil Aeronautics Administration; and the amendment or series of amendments to be proposed by the Senator from Delaware regarding subsidies for merchant shipping. I believe there are three other reservations or sections on which the committee amendments will not be acted upon this evening. But with those exceptions, I understand that all the other committee amendments have been adopted. I wish to serve notice now that I shall strenuously object to any proposal to open up any of the committee amendments which already have been agreed to if in the morning any move of that sort is made.

LEGISLATIVE PROGRAM—RECESS

Mr. JOHNSON of Texas. Mr. President, if no other Senators desire to address the Senate at this time, I am about to move that the Senate take a recess until tomorrow.

I wish to give notice to the Senate that Senate Joint Resolution 77, to modify the authorized project for Ferrell's Bridge Reservoir, Texas, and to provide for the local cash contribution for the water-supply feature of that reservoir, reported today from the Public Works Committee, may be taken up in between some of the major bills later in the week.

I also wish to remind Senators that the Senate may be in session late tomorrow evening, because we have the draft bill scheduled for consideration tomorrow, and it appears that we shall spend considerable time on the pending Department of Commerce appropriation bill. It is hoped that on tomorrow it will be possible for the Senate to complete action on the pending bill and also to complete action on the draft bill.

Mr. President, pursuant to the order previously entered, I now move that the Senate stand in recess.

The motion was agreed to; and (at 6 o'clock and 12 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Thursday, June 16, 1955, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 15 (legislative day of June 14), 1955:

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 17, 1955
For actions of June 16, 1955
84th-1st - No. 101

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HIGHLIGHTS: Senate passed Commerce appropriation bill and selective service bill. Senate adopted conference report on salt-water research bill. House passed public works appropriation bill. House committee reported bill to transfer certain lands to Clemson College. House committee reported Federal pay bill.

SENATE

1. COMMERCE AND RELATED AGENCIES APPROPRIATION BILL, 1956. Passed with amendments this bill, H. R. 6367 (pp. 7219-34, 7243-63, 7266-7). Senate conferees were appointed (p. 7267).
2. SELECTIVE SERVICE. Passed with amendments H. R. 3005, to extend selective service for 4 years until July 1, 1959 (pp. 7270-6). Senate conferees were appointed (p. 7276).
3. SALT-WATER RESEARCH. Agreed to the conference report on H. R. 2126, to continue and expand the Interior Department research program on converting salt water to fresh water (pp. 7276-7).
4. RECLAMATION. Agreed to the conference report on H. R. 103, to provide for the construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies (pp. 7277-8).
5. NOMINATION. Confirmed nomination of John B. Hollister to be Director of the International Cooperation Administration (p. 7072, June 15).
6. CONTRACTS. The Finance Committee ordered reported H. R. 4904, to extend the Renegotiation Act of 1951 for 2 years (p. D564).
7. LEGISLATIVE PROGRAM. Sen. Johnson indicated that the following bills may be among those to be considered today: S. 2097, transfer to USDA certain real property in the Virgin Islands; H. R. 2973, to transfer certain tract of land in Macon County, Ga. to the Ga. State Board of Education; H. R. 5188, prohibit USDA prediction of apple prices; S. 1472, financial assistance to desert land

entrymen; S. 1757, provide penalties for false grade marking; S. 1759, to consolidate experiment station authorizations; and S. 1400, to protect grain standards (p. 7278).

HOUSE

8. TRADE REGULATIONS. The Ways and Means Committee was authorized to file reports on H. R. 6040, the customs simplification; and H. R. 5560, which would provide for free importation of personal effects under government order (p. 7131).

9. APPROPRIATIONS. Conferees were appointed on H. R. 5240, the independent offices appropriation bill (p. 7134). Senate conferees have already been appointed.

Passed with amendments H. R. 6766, the public works appropriation bill, agreeing to an amendment to delete the authorization of a TVA steam plant (pp. 7134-7204). This bill provides appropriations for the Southwestern Power Administration, Tennessee Valley Authority (fertilizer and power interests), and certain flood-control, irrigation, and reclamation measures of the Interior and Army Departments.

10. RECLAMATION. Rep. Saylor suggested the disastrous effect the Echo Park reclamation project would have on the scenic value of the affected territory (pp. 7204-5).

11. LANDS. Agriculture Committee reported with amendment H. R. 4280, to transfer certain submarginal lands under the Agriculture Department to Clemson College (H. Rept. 856) (p. 7208).

12. PERSONNEL. Post Office and Civil Service Committee reported with amendment S. 67, the Federal pay bill (H. Rept. 857) (p. 7208).

13. LEGISLATIVE PROGRAM. The Majority Leader announced the following schedule for Mon., June 20: call of Consent Calendar; consideration of S. 67, Federal pay bill, under suspension of the rules; and other business (p. D566).

14. ADJOURNED until Mon., June 20 (p. 7208).

BILLS INTRODUCED

15. EXPORTS. S. 2256, by Sen. Fulbright, to authorize the guaranty of exports against certain risks of a political nature; to Banking and Currency Committee (p. 7211). Remarks of author (pp. 7211-3).

16. WATER COMPACT. S. 2260, by Sen. Kerr (for himself and others), granting the consent of Congress to the States of Arkansas, Louisiana, Oklahoma, and Texas to negotiate and enter into a compact relating to their interests in, and the apportionment of, the waters of the Red River and its tributaries; to Public Works Committee (p. 7211).

17. RUBBER. S. 2263, by Sen. Kilgore, to amend the Rubber Producing Facilities Disposal Act of 1953, to provide for the disposal of the Government-owned facility at Institute, W. Va.; to Banking and Currency Committee (p. 7211).

18. FOREIGN TRADE. H. R. 6868, by Rep. Anfuso, to amend the Agricultural Trade Development and Assistance Act of 1954 so as to authorize sales on credit; to Agriculture Committee (p. 7209).

Calendar No. 516

84TH CONGRESS
1ST SESSION

H. R. 6367

IN THE SENATE OF THE UNITED STATES

JUNE 15 (legislative day, JUNE 14), 1955

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MUNDT to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, viz:

- 1 On page 8, line 24, strike out "\$6,900,000" and insert
- 2 "\$7,000,000 including not less than \$370,000 to be avail-
- 3 able only to the Area Development Division".

84TH CONGRESS
1ST SESSION

H. R. 6367

AMENDMENT

Intended to be proposed by Mr. MUNDY to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

JUNE 15 (legislative day, JUNE 14), 1955
Ordered to lie on the table and to be printed

The PRESIDING OFFICER. The nominations will lie on the desk, as requested by the Senator from Mississippi.

CALIFORNIA DEBRIS COMMISSION

The Chief Clerk read the nomination of Col. William F. Cassidy, Corps of Engineers, to be president and member of the California Debris Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be notified forthwith of the nomination today confirmed.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. DOUGLAS. Mr. President, I regret that I cannot agree to the proposal of the Senator from Texas. I must object.

The PRESIDING OFFICER. Objection is heard.

Mr. JOHNSON of Texas. Of course, we can get the absent Senators from their offices.

The PRESIDING OFFICER. Debate is not in order.

The clerk will continue with the call of the roll.

The legislative clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

Barrett	Holland	Saltonstall
Bennett	Johnson, Tex.	Scott
Butler	Johnston, S. C.	Smith, N. J.
Carlson	Kilgore	Sparkman
Cotton	Knowland	Stennis
Douglas	Langer	Symington
Ellender	Malone	Thurmond
Gore	Mansfield	Wiley
Green	Martin, Pa.	Williams
Hayden	Neely	
Hill	Payne	

Mr. JOHNSON of Texas. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Oregon [Mr. MORSE] are absent on official business.

The Senator from Kentucky [Mr. CLEMENTS] is absent by leave of the Senate until June 21, 1955, on behalf of the Senate Appropriations Committee to conduct an on-the-spot study of specific matters relating to our foreign aid program.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate to attend the International Labor Organization meeting in Geneva, Switzerland.

The Senator from Georgia [Mr. GEORGE] is unavoidably absent.

Mr. SALTONSTALL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Iowa [Mr. HICKENLOOPER] are absent on official business.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate to attend the funerals of close personal friends.

The Senator from Nebraska [Mr. CURTIS] is necessarily absent on public business.

The Senator from Illinois [Mr. DIRKSEN] is absent on official business for the Committee on Appropriations.

The Senator from Michigan [Mr. POTTER] is absent by leave of the Senate to attend the International Labor Organization meeting in Geneva, Switzerland.

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators; and Mr. ERVIN, Mr. KERR, Mr. MAGNUSON, Mr. MONRONEY, and Mr. SCHOEPPLE entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. NEELY in the chair). A quorum is not present.

Mr. JOHNSON of Texas. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. Aiken, Mr. ANDERSON, Mr. BARKLEY, Mr. BEALL, Mr. BENDER, Mr. BIBLE, Mr. BRICKER, Mr. BRIDGES, Mr. BUSH, Mr. BYRD, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. DANIEL, Mr. DUFF, Mr. DWORSHAK, Mr. FREAR, Mr. FULBRIGHT, Mr. HENNINGS, Mr. HRUSKA, Mr. HUMPHREY, Mr. IVES, Mr. JACKSON, Mr. JENNER, Mr. KUCHEL, Mr. LEHMAN, Mr. LONG, Mr. MARTIN of Iowa, Mr. MCCARTHY, Mr. McCLELLAN, Mr. McNAMARA, Mr. MILLIKIN, Mr. MUNDT, Mr. NEUBERGER, Mr. O'MAHONEY, Mr. PASTORE, Mr. PURTELL, Mr. ROBERTSON, Mr. RUSSELL, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. THYE, Mr. WATKINS, Mr. WELKER, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5240) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1956, and for other purposes; agreed to the con-

ference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. THOMAS, Mr. YATES, Mr. EVINS, Mr. BOLAND, Mr. CANNON, Mr. PHILLIPS, Mr. VURSELL, Mr. OSTERTAG, and Mr. TABER were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 1) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, and it was signed by the Acting President pro tempore.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1956

The Senate resumed the consideration of the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

TORNADOES AND WARNINGS

Mr. GREEN. Mr. President, I desire to read to my colleagues an editorial appearing in the New York Times this morning, entitled "Tornadoes and Warnings." The editorial is very appropriate at this time, when we are considering the Department of Commerce Appropriation bill and an amendment which I have presented for myself and other Senators which would increase the appropriation for the Weather Bureau.

The editorial reads as follows:

TORNADOES AND WARNINGS

While those of us who live on the Eastern seaboard have been forced to become acutely hurricane-conscious during the past few years, we tend to forget the weather scourge of the inland areas—tornadoes. Figures compiled by the Weather Bureau and released this week should go far to restore our perspective. From 1916 to 1955 about 7,000 tornadoes killed about 9,000 people and caused property damage of close to \$300 million—a yearly average of 225 deaths and \$20 million of damage. Nor is the East entirely immune, as residents of Worcester, Mass., well know. On June 9, 1953, a twister tore across that city, leaving 90 dead and \$60 million of damage to property.

As with hurricanes, the Weather Bureau issues warnings of tornadoes in advance which, even with the present far too limited facilities, have saved untold lives and damage. Most useful in tracking them is long-range radar. A group of 9 Senators, led by Mr. GREEN, of Rhode Island, is working to increase by \$5 million the Weather Bureau appropriation now before the Senate. This would cover a 5-year program to provide for 55 new storm detection radar stations—25 less than expert testimony showed are needed. The tornado record, as well as that of hurricanes, dramatically underlines the urgency of this increase.

Mr. CASE. Mr. President, I have been much interested in the amendment offered by the distinguished Senator from Rhode Island [Mr. GREEN] to provide funds to establish 55 additional stations for radar detection and recording of tornadoes and severe storms. I am supporting the amendment, but it occurs to

me that, in addition to the tornadic disturbances which usually occur during warmer weather, there should be an improvement in the weather forecasting service in the northern Great Plains area during the wintertime, particularly, when some of the blizzards come down from the Canadian prairies. There should also be an increase in the weather reporting service for the great area which might be described as that lying between Billings, Mont., Bismarck, N. Dak., Pierre and Rapid City, S. Dak., a distance of several hundred miles where there is no reporting service at all. Fliers of small planes have reported to me many times that there is an entirely inadequate weather reporting service in that area.

I sincerely trust that when the Department of Commerce considers the allocation of funds for the additional weather reporting stations it will give consideration to the importance of additional weather forecasting service in the northern Great Plains area generally, and specifically in the area which I have described, bounded by Billings, Mont., Bismarck, N. Dak., and Pierre and Rapid City, S. Dak., as being an area in which there is an inadequate service both for ranchers and farmers and those who fly small aircraft.

I hope the amendment will be agreed to, and that the Weather Bureau will take into consideration this additional area of need in this field.

The PRESIDING OFFICER. The Secretary will state the first committee amendment which was passed over.

The amendment was, on page 7, line 16, after "1953", to strike out "\$40,000,000" and insert "\$55,000,000."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. DOUGLAS. Mr. President, this is a very important matter. While there are so many Senators in the Chamber, I request that the yeas and nays be ordered on the amendment, and then we may proceed with the debate. I hope that the leadership on both sides of the aisle will cooperate in having the yeas and nays ordered.

The PRESIDING OFFICER. The yeas and nays are demanded. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. DOUGLAS. I hope that later in the day we may be able to have the yeas and nays ordered on such an important matter as this amendment.

In view of the fact that I made a statement at some length on Tuesday covering this question, and in view of the further fact that what we have before us is a committee amendment proposing to increase an appropriation authorized by the House from \$40 million to \$55 million, I think, in the interest of orderly procedure and the saving of time, it would be better if representatives of the committee would take the floor and give the reason or justification for their supporting this increase in the appropriation.

Mr. HOLLAND. Mr. President, I shall be very happy to take the course suggested by the Senator from Illinois. Senators will find the exhibits and the

estimates filed by the Civil Aeronautics Board with the committee printed at pages 283, and following, in the committee hearings. I hope the Senator from Illinois will take note of them. Under the revision to April 20, 1955, the total amounts of accrued subsidy payments due to air carriers—amounts owed by the Federal Government to the air carriers under the law, as shown on the books, and under the rates as duly fixed for the air carriers—taking into consideration all offsets were in April 1955, \$67,163,706 on the 1955 accruals.

Senators will discover, if they will add the amount of the original appropriation in the bill for fiscal 1955 to the amount of the supplemental appropriation—and I hope the Senator from Illinois is following me in this recital—

Mr. DOUGLAS. I am following the Senator from Florida.

Mr. HOLLAND. They will find that instead of allowing the full amount as requested in the report and recommendation of the CAB, \$6,300,000 less than that full amount was allowed. So the total amount paid was \$60,863,706.

Senators will also find that the estimate for 1956 was a flat \$63 million, as appears in the revision down to April 20, 1955. In other words, the Board went before the committees of Congress with an estimate of \$63 million for fiscal year 1956. However, the Board discovered, when the supplemental bill was approved and became law 2 days later, April 22, that to the amount of \$63 million based on the full allowance of the supplemental, there should be added approximately \$6,300,000, which was the amount not allowed as against the 1955 supplemental estimate. So the total amount shown before the committee as due and payable in 1956—that is, including the carryover of \$6,300,000 and the original estimate of \$63 million—was \$69,300,000. As to that, there can be no doubt. Those were the figures submitted to the committee.

When the House passed on this matter, it had before it the original estimate of \$63 million. As against that original estimate, they allowed \$40 million in the bill they passed, which came to the Senate and was referred to the Committee on Appropriations.

The Senate committee, as I have just said, had not only the original estimate, but had also the knowledge that there was a carryover from the year before in the amount of \$6,300,000, which was pending in the supplemental bill at the time the estimates were considered by the House. So as against the total of \$69,300,000 shown, including the accrued carryover and the estimate for 1956, the Senate committee decided that a substantial increase was required above the \$40 million which had been allowed by the House.

If Senators will refer to the hearings, pages 294 and 295, they will find that the committee was impressed with the idea that certainly a very large supplemental appropriation would be required next spring under the conditions which would obtain at that time—that is, with an appropriation of only \$40 million in the

House bill, if that amount were left unamended.

If Senators will refer to the testimony of Mr. Mulligan, who is the chief auditor and secretary of the Board—and who, by the way, makes a very fine impression as being thoroughly familiar with the business of the Board—they will note that his statement begins as follows:

Mr. MULLIGAN. I would say, Mr. Chairman, on the assumption, and I think it clearly is the correct assumption, that a supplemental appropriation would be involved—

Senator HOLLAND. You mean if the \$40 million allowed by the House was left undisturbed?

Mr. MULLIGAN. Yes, sir; but let me put it in a different way. A figure which would be, in my judgment, one still requiring a supplemental in some amount, but a figure that would approximate the total bill much more closely than does the \$40 million would be \$55 million.

The committee was trying to adjust the matter so as to leave the Board enough to proceed, with the hope of going through the year, but still lead them to believe that there would be a supplemental appropriation, but not as large as was indicated by the House action. I continue to quote:

Senator HOLLAND. In other words, you think that if the final figure in the appropriation bill would be \$55 million, that would closely approximate what would be actually required in 1956, but would probably still require a supplemental item?

Mr. MULLIGAN. I think it would still require a supplemental, sir, but I think it would be much closer to the ultimate bill than the \$40 million.

Senator HOLLAND. You do recognize the fact that the \$63 million submitted in the budget has become probably unnecessary and over the needed amount in view of developments which have occurred since the budget was being formulated.

Mr. MULLIGAN. That is correct, sir, but the \$55 million figure was suggested as a possible substitute for the \$40 million, not the \$63 million, with some supplemental still required.

While no reference was made to the \$6,300,000 in these particular questions, it is a fact that there is that item of carry-over; and it is also a fact, that the CAB is trying to reduce, below the budget figures, its total payments to be made in the coming year. We have a report on that from the General Accounting Office. An officer from the General Accounting Office sat with the committee throughout the hearings. We have received statements and recommendations, from time to time, from the General Accounting Office.

The committee has endeavored to bring to the floor of the Senate a bill containing an appropriation for payments to air carriers which we think will be inadequate, but which we believe will at least provide the minimum which anyone could hope with which the board could operate its important business—which it handles, not on its own account, but for the whole Federal Government. We believe the amount provided represents a great deal in the way of recognition of the obligation on the United States.

The carriers do not make the law; Congress makes the law, and has made it. There is no question about what the

law is and what it provides. It has been interpreted by the Supreme Court, and the law is binding. Furthermore, the report of the General Accounting Office on some matters which have not been considered by the Supreme Court is quite clear. It will be found embodied not only in the letter of October 6, 1954, to the honorable Chan Gurney, then chairman of the CAB—and if the Senator from Illinois has not seen that letter, I will gladly make it available to him—but it is also included in a more recent letter from the General Accounting Office to the senior Senator from West Virginia [Mr. KILGORE], which is dated October 22, 1954. If the Senator from Illinois has not seen that letter, it is, of course, available; however, I believe the Senator has seen it.

The committee feels that it has made a careful estimate of the situation; that the obligations of the Federal Government will certainly be more than the \$55 million; that it is in the interest of the Nation to see that the obligations are promptly met; that if there is to be fair treatment of the carriers, we must leave the CAB possessed with the power at least to make payments which everyone who has gone into the question carefully, with no exception, so far as I know—and I include now the General Accounting Office, which is the handmaiden of Congress in passing on matters of this kind—believes to be reasonable.

It seems to me that the committee is within its rights in requesting the Senate to approve this figure, which does not go the entire distance, even, of the amount requested in the original budget, and which does not recognize the carry-over of the unpaid item of \$6,300,000 in addition to the budget, which is an approximation of the minimum amount which we feel, under any reasonable circumstances, could be expected to accrue and be payable to the carriers in order to discharge the Nation's obligations to them in the coming year.

That is a brief statement of our position. I hope the Senator from Illinois will feel it is a fair statement, and that, based on what is shown, he will be in a position to make his case for a reduction of the \$55 million, if he cares to do so.

Mr. DOUGLAS. Mr. President, may I ask the Senator from Florida if I correctly understand his argument? Does he argue that Congress is obligated to appropriate as much airline subsidies as CAB asks for, and which it has by administrative ruling approved?

Mr. HOLLAND. It is as much obligated as in the case of any legal debt of the United States. The two letters from the Comptroller General of the United States, one addressed to former Chairman Gurney, dated October 6, 1954, and the other addressed to Hon. HARLEY M. KILGORE, dated October 22, 1954, make it very clear that it is not the demand of the carriers at all that fixes the amount, but it is, instead, the audited account, based, of course, on their original demand, and as it may be reduced or affected by the audits, first of the CAB and then of the General

Accounting Office, and by any offsetting liquidated claims which the United States has in its own behalf against the carriers. There is no obligation at all to recognize as fiat the request of the carriers. That is not the point at all.

Mr. DOUGLAS. I am trying to understand the position of the Senator from Florida. Am I correct in assuming that the Senator is saying that, since the CAB has approved these subsidies, and since the mail rates have been approved, they constitute obligations of the United States, which Congress is bound not to alter and which it cannot diminish? That seemed to be the purport of the argument of the Senator from Florida.

Mr. HOLLAND. I think that would be a fair statement. After the rates are fixed, and after a contract is given for the carriage of the mails, and after the accounts have been audited by CAB and approved by GAO, there is no denying the fact that it becomes an obligation of the United States.

Mr. DOUGLAS. To the degree it is approved by CAB?

Mr. HOLLAND. No; to the degree, so far as Congress is concerned, that it is approved by the General Accounting Office. The rate is fixed by CAB. That is its duty under the law.

As we checked CAB's rate activities, we thought the Board was very diligent. For instance, we found that in several cases where there had been earnings in recent years by various carriers in excess of what had been contemplated as a result of the permanent rate, the CAB immediately changed the permanent rate by putting in force a smaller temporary rate, which, of course, was subject to hearings and determination later as to what the reduced permanent rate should then become, or whether there should be a reduced rate.

Mr. President, I hope the Senator from Illinois is following what I am saying.

Mr. DOUGLAS. I have only two ears, and I have been trying to listen to the Senator from Florida with my left ear and to the Senator from South Dakota [Mr. MUNDT] with my right ear, and to consolidate what I hear with both ears.

Mr. HOLLAND. That is a rather difficult job, especially since the subject before the Senate is complex. The Senator from Florida would rather desist until the Senator from Illinois has completed the matter which he is hearing through his right ear. If he has determined that matter now, I shall proceed.

Mr. President, I had just said, before the collateral colloquy between the Senator from South Dakota [Mr. MUNDT] and the Senator from Illinois began, that the committee was impressed with the fact that the CAB had proceeded, as we thought, very diligently in following up anything that looked like a better development in connection with the earnings of carriers than had been contemplated by the Board when it fixed the rates. As the Senator knows, permanent rates are fixed only after long hearings and after receiving every possible presentation bearing on the subject.

Even then there have been some instances of actual earnings at the end of the year, or at the end of a quarter,

because the CAB checks on the matter quarterly, having been greater than could possibly have been anticipated. Our attention has been called to the fact that in such instances CAB has been diligent to suspend the permanent rates, and to impose temporary rates which are less favorable to the carriers, and then, of course, to proceed to hold hearings in an effort to set new reduced permanent rates.

From our inspection of the operation of CAB, we have not felt it to be a careless one or one which was unfavorable to the United States; but, to the contrary, we think it has been a careful one.

We have felt that if there are those who object to the payment of the subsidies, the really fair and proper way for them to proceed is in either 1 of 2 directions. One would be by amendment of the basic law, which would, of course, be the most appropriate way. Or, if Senators feel that there are members of the CAB who have not been duly diligent in connection with the discharge of their duties, they always have the right to oppose confirmation. We find no record that the Senator from Illinois has followed either of those two courses, at least successfully, and I know of no effort on his part to follow either one of them.

When the Appropriations Committee, which has sat for weeks considering a matter of this kind, reports a bill which confessedly, will not cover the whole field, but which will more nearly do so than the bill in the form it was passed by the House, we feel it is a little capacious to make objections to recommendations which very clearly represent the best estimate now available as to what will be the obligations of the United States in 1956 growing out of payments for subsidies to air carriers under laws which Congress enacted, and which exist only because Congress enacted them.

Mr. DOUGLAS. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Florida yield to the Senator from Illinois?

Mr. HOLLAND. I yield.

Mr. DOUGLAS. I wonder if my friend from Florida is aware of the fact that no audit has even been made of the subsidiaries of the Pan-American Airways, and that one of those subsidiaries in 1953 lost \$2½ million; that since this hotel subsidiary, Intercontinental Hotels, Inc., is 100 percent owned by Pan American, the only group which could meet the deficit would be Pan American; and that this would weaken its financial position and make a subsidy more necessary? I have asked that such an audit be made, but no audit has been made, and this is an important point.

Secondly, I think the evidence is pretty clear that is the case of the Supreme Court decision, which has held that the financial condition of the carrier should be considered as a whole, and that we should not consider separate lines of the carriers, to determine whether or not a subsidy or mail rate is needed for a

particular line, but that we should consider whether or not the company as a whole is prosperous.

The Postmaster General sent a memorandum to the Senator from West Virginia [Mr. KILGORE], which I had reproduced on page 6920 of the CONGRESSIONAL RECORD for Tuesday, June 14—

Mr. HOLLAND. Very well; I am following the Senator from Illinois.

Mr. DOUGLAS. In the statement of the Postmaster General there are assertions which seem to be uncontroverted, that under that decision \$50,798,000 of excess earnings is available for offset against subsidy loans or for recovery by the Post Office Department, and could be used in part as an offset against subsidies which otherwise would be paid. In connection with this fact, why is it that during the 16 months, since that decision was handed down, the Civil Aeronautics Board has finalized any proceeding to recover any part of the \$50 million? It could be used in part as an offset against the subsidies. These are assets of the Government; and it is a well-established principle that such claims can be used as an offset against other obligations of the Government. That is done in the case of veterans. For instance, if a veteran falls behind in his payments of Government insurance, then that obligation is deducted from other sums of money which the Government may owe him for disability payments.

Why is it that we have a very rigorous standard in the case of veterans, but in the case of the large airlines, the Civil Aeronautics Board does not proceed—although the decision was handed down 16 months ago—to recover the sums of money which the Supreme Court in two unanimous decisions has said the airlines owe, and although the Postmaster General has clearly stated the amounts which are owed? That is my next question.

Mr. HOLLAND. I think it is a very good question, and calls for a very frank answer. We had before us the chairman of the Civil Aeronautics Board, Mr. Ross Rizley. He happens to be the one who, as Solicitor for the Post Office Department, successfully pushed the suit the Senator from Illinois has mentioned. Mr. Rizley probably knows more about the law involved in that suit than does any other person, certainly any other person in this field of the Federal Government. He impressed the committee as being exceedingly anxious to do exactly what the Senator from Illinois is suggesting.

One of the things Mr. Rizley made crystal clear to us was that his auditors are working on a pressing basis to try to develop all the facts which are necessary in order to do exactly what the Senator from Illinois has suggested.

So far as I am concerned, I was greatly impressed with Mr. Rizley and with his determination in regard to this matter. I know Mr. Rizley has a complete grasp of the facts and the law which have been referred to by the Senator from Illinois; and I have complete confidence that the Civil Aeronautics Board will do its level best to see to it that the rights

of the United States in all fields affected are properly taken care of, and, in particular, that any offsets are properly made.

We were assured by Mr. Rizley that the principle of offsets is now reflected, and has been since the date of the decision, in the auditing of the Civil Aeronautics Board. We were also assured by him that the reason why he was asking for more auditors—and the Senator from Illinois will note that in the preceding paragraph in this appropriation bill Mr. Rizley is provided with more auditors—was in order that he would be able to complete at an early date the very commendous audit which was required.

I wish to call the attention of the Senator from Illinois, however, to the table he has submitted. He will find that according to the accounting a large amount which is alleged by the Post Office Department to be due is due by carriers which are not now receiving subsidies. If the Senator from Illinois will examine page 299 of the hearings, he will find the list of carriers which are not now receiving subsidies. The Senator from Illinois will note that quite a number of the carriers—for instance, United—are shown by his table to have been affected. We find—from the second column of the compilation the Senator from Illinois placed in the RECORD, at page 6920—that United is affected to the extent of \$15,857,000; and the Senator from Illinois will note that United is one of the carriers which is not now receiving subsidies.

Furthermore, from the list the Senator from Illinois also will find that TWA, which is shown to be the carrier affected by the next largest item—that of \$12,158,000—likewise is not now receiving subsidies. Furthermore, from the list the Senator from Illinois will find that Delta and Western are also included.

So the total amount involved in the question asked by the Senator from Illinois largely comes back to \$5 million, which is alleged to be the amount affecting the Pan American Airways.

Mr. DOUGLAS. Plus \$1,800,000, as shown in the third column, or a total of \$6,800,000.

Mr. HOLLAND. Very well, \$6,800,000, maximum.

Mr. DOUGLAS. That is precisely what I am talking about.

Mr. HOLLAND. We were assured by the Chairman of the Civil Aeronautics Board and by the other witnesses that in each case, under the computation they are now following, they are recognizing the offset principle and are holding back amounts which are affected by that principle; that the interests of the United States are not being jeopardized in any degree; and that that point is not of any consequence at all, when applied to the appropriation the committee has recommended, because the amount recommended by the committee does not cover any item involved in the point the Senator from Illinois is making.

Mr. DOUGLAS. Is it not true that the Government has claims of \$6,800,000 against Pan American Airways?

Mr. HOLLAND. The Post Office Department has claims in that amount; the Senator from Illinois is correct.

Mr. DOUGLAS. Is it not also true that the subsidy of Pan American Airways, as contemplated for this year, is approximately \$17,700,000?

Mr. HOLLAND. After withholding a great deal more than that in the computation.

Mr. DOUGLAS. Not withholding for this item.

Mr. HOLLAND. Withholding much more than the \$6,800,000—withholding everything required to be withheld to give full force and effect to the principle of offsets.

Mr. DOUGLAS. The Senator does not answer my question. In connection with the \$17,800,000 subsidy no provision is made for withholding the \$6,800,000 which under the Supreme Court decision of February 1, 1954, is due the Government. Is not that true?

Mr. HOLLAND. The Senator from Florida thinks he has completely met the point of the Senator from Illinois. The accounting between the Government and that company is so much greater than the item mentioned, the \$6,800,000 to which the Senator refers. So the Government is protected by the very large amounts, much greater than that, which are unsettled in the accounting, and which the CAB has declined to settle.

Let me say to the distinguished Senator from Illinois that, first, he is evidencing no confidence in the CAB; second, no confidence in its chairman, who was the solicitor who handled the very law case the Senator mentioned, when he was serving as Solicitor for the Post Office Department; third, no confidence in the General Accounting Office, which the Congress created to help it in auditing matters of this kind, and which does audit such matters, or else the accounts are not paid; fourth, no confidence in the committee, which has gone into this question in great detail and which reports an amount confessedly some \$14,300,000, or thereabouts, under what seems to be the amount required fully to pay this item in the coming year, but with the hope that by so doing the Government will encourage the manifest efforts of the CAB to minimize subsidy payments, insofar as the law allows, and insofar as the General Accounting Office will permit, because we hope the General Accounting Office will always stand for fair dealing between the Federal Government and those with whom it does business, rather than merely for shaving off here and there some claims which cannot be justified by law or equity.

So the Senator from Florida feels that the attitude of the distinguished Senator from Illinois, while no doubt based upon the utmost of good faith and good will—and the Senator from Florida appreciates it—is not such as to justify the points which the Senator from Illinois has raised. Although the distinguished Senator is acting in perfect good faith, nevertheless, the Senator from Florida recognizes none of the points which the Senator has made.

Apparently the Senator from Illinois has no confidence in the CAB. He has no confidence in the lawyer who effectively represented the Post Office Department, and has now been promoted to be Chairman of this Board so that he can make effective the very ruling which he helped to obtain from the Supreme Court.

The Senator from Illinois has no confidence in the General Accounting Office, which is an arm of the Congress, and not of the executive department. He has no confidence in the Appropriations Committee. A subcommittee of that committee spent weeks on this subject, and reported to the full committee of 23 Members of the Senate.

So far as the Senator from Florida remembers, the Senator from Illinois did not appear before the subcommittee. He did not make any showing before the subcommittee. He did send a letter, which the Senator from Florida was glad to insert in the record, though it did not come to the Senator from Florida directly from the Senator from Illinois.

Mr. DOUGLAS. I sent it to the chairman of the committee, but the table enclosed was never printed in the proceedings.

Mr. HOLLAND. It was sent to the distinguished chairman of the Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN], and by him passed on to me. I was very glad to insert it in the printed hearings.

So the Senator from Florida thinks payday has come, and that the Congress of the United States, which lays down the rules and enacts the laws, and which insists upon having an auditing agency to represent it, and not the executive, should recognize that fact. When the Congress reaches the stage when it thinks an account is due and recommends it, it should realize that payday has come.

The Senator from Florida does not understand the attitude of Senators who are not willing to recognize the fact that we do reach a payday, and that the good faith of the United States is certainly involved in this matter, as well as the confidence of the Congress in the various persons and agencies which the Senator from Florida has mentioned.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield.

Mr. THYE. Is it not true that the record of the airlines is excellent? They are reducing the amount of subsidies. Some of the airlines have completely reached the point where they are operating without a deficit with respect to some of their lines. They do not need a subsidy with respect to some of their lines.

Mr. HOLLAND. The Senator, of course, is correct. The full list of airlines which have reached that state—some of them within the last year or two—appears in the RECORD. It has already been referred to in the debate.

I am glad the Senator makes the point, because it affords the opportunity to read into the RECORD a list showing their recent progress.

For example, American has gone up from 10.9 percent earning on its investment to 11.5. It is off subsidy.

Braniff has gone up from 8.9 to 13.3. It is off subsidy in its domestic lines and the rate of subsidy is being redetermined, on the basis of the overseas traffic.

Eastern remains at 7.8. Pan American, adverted to by the distinguished Senator from Illinois, improved its position from 5.5 to 6.6. That is for the year ended December 31, 1954, which is the last year for which the figures are available in each case.

United has gone up from 7.5 to 7.8. Northwest has gone up from 8.6 to 8.8. The point the Senator from Minnesota has made is completely borne out by the record. The airlines are operating to advantage, and they are getting off the subsidy roll as fast as they can.

The following is a list of the lines which have gone off the subsidy: American, Eastern, National, Northwest, Trans-World, United, Capital Delta, and Western. The dearest hope of the lines which are not off the subsidy is to get off that list.

Mr. THYE. Mr. President, will the Senator further yield?

Mr. HOLLAND. I yield.

Mr. THYE. Is it not true that some of these figures represent back accounts—delinquent accounts, so to speak—which the Federal Government owes, and on which interest is being paid? Are we not endeavoring to provide sufficient funds to bring the accounts to a current status, thereby avoiding heavy interest payments which would be due on delinquent accounts of airlines?

Mr. HOLLAND. The Senator is exactly correct, with one exception. I wish I could say that we fully take into account the point the Senator has mentioned. We do not quite fully take it into account, but in increasing the item in the House bill from \$40 million to \$55 million, we increase it to the minimum amount to which, it seemed to us, it would be possible to reduce the amount payable in the next year.

I am glad, too, that the Senator from Minnesota, with his customary ability to pierce through to the main point, has indicated another fact, and that is that when the airlines must pay interest, it affects the rates, and therefore indirectly affects the subsidy. When the United States does not pay the accounts when they are due—and unfortunately we have not been paying them—we make it more difficult, instead of easier, for the airlines to leave the position in which they are subsidized, and go over into the group of nonsubsidized lines. I think it is correct to say that it is the ambition of every one of these lines drawing a subsidy to get into the other classification as quickly as possible.

Mr. THYE. Mr. President, will the Senator further yield?

Mr. HOLLAND. I yield.

Mr. THYE. As a member of the subcommittee, I wish to say for the record that I know of no chairman who has been more diligent and searching in his efforts to get the facts into the RECORD than the Senator from Florida has been. We sat through the hearings, determined to make certain that the record would be clear, that there would be no misinformation in the record, and that there would be no lack of information rela-

tive to the fine record of the airlines in their efforts to get on a paying basis and to get out from under the Federal subsidy, the need for which has extended over most of the lifetime of these airlines.

Mr. HOLLAND. I greatly appreciate the gracious words of the distinguished Senator from Minnesota. I appreciate his attention to duty. He was a constant attendant at the meetings of both the subcommittee and the full committee. I greatly appreciate his comment on this occasion.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. FULBRIGHT. I notice that nearly all, if not all, the major lines—at least in the domestic field—have gotten away from the subsidy. I believe that is a true statement, with perhaps 1 or 2 exceptions. Apparently the largest subsidy is in the Latin American business. Why is it that that traffic generates the greatest subsidy? I think it amounts to considerably more than half, perhaps two-thirds, of all the subsidies paid.

Mr. HOLLAND. Mr. President, before I answer the Senator's question, perhaps it would be well to insert in the RECORD and to call to the Senator's attention the figures in the table on page 284 of the hearings, of which I shall give a résumé, as follows. The figures covering the 1956 CAB estimates on subsidy payments for next year, for which the bill will make appropriations, are divided into various classifications. For domestic trunklines—and they are the ones to which the Senator from Arkansas first adverted—

Mr. FULBRIGHT. That is correct.

Mr. HOLLAND. For domestic trunklines the figure is \$4,648,000. In other words, very few of the domestic trunklines are left on the subsidy list.

For local service carriers, \$25,135,000. That is the largest amount for any single group. The Senator will recognize the fact also that it represents the desire to serve communities which are in a borderline situation where they cannot quite adequately support the continued service, but which it is in the national interest to continue to support.

Then, for helicopter service, \$2,928,000. That makes a total of \$32,711,000 for next year's estimates for lines in the United States.

Those figures do not include Alaska—although, I believe, for all intents and purposes we should include the next figure, the one for the Territories in the domestic estimates, because we are all trying eagerly to make Alaska and Hawaii component parts of our Nation. Whether we favor statehood or not, I believe we all recognize the fact that it is in our national interest that Alaska should move ahead. Taking the totals for Alaska and adding the Hawaiian operations, we have a grand total of \$8,790,000.

That makes a total of \$41,580,000 for domestic and Territorial area operations.

The international operations are divided into transatlantic operations, transpacific operations, and Latin American operations. The transatlantic operations amount to \$2,669,000, the transpacific operations amount to \$2,-

262,000, and the Latin American operations amount to \$16,176,000.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HOLLAND. The total for the international lines is \$21,107,000.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be glad to yield in a moment.

The question of the Senator from Arkansas correctly indicates that Latin American operations call for a total, in the estimates furnished by the CAB, of \$16,176,000 in the payment of next year's subsidies, and represent by far the largest group in the international field of carriers.

While I am thoroughly familiar with the hearings, of course I have had no chance to become thoroughly familiar with all the facts, but I would assume that there is no such volume of passenger and mail carriage to the various component parts of Latin America as there is to Europe, as there is to the United Kingdom and other nations across the Atlantic, or as there is across the Pacific. Incidentally, we learned in the hearings that one of the important factors in the transpacific business was the carriage of Armed Forces mail, because we do have very sizable bodies of troops in the Pacific, and, as the Senator well knows, they are served in large part by airmail.

So that the only real answer which the Senator from Florida could advance would be that, looking at the fanned out scale of operations to Mexico, to the countries in Central America, to northern South America, and down both the Pacific coast and the Atlantic coast of South America, considering the long distances involved, and the very fine equipment and facilities which must be provided and maintained, there is not a sufficiently heavy volume of traffic, to make that operation profitable, as compared with transpacific and transatlantic operations.

Mr. FULBRIGHT. Mr. President, I should like to ask one further question, if the Senator will yield.

Mr. HOLLAND. I yield.

Mr. FULBRIGHT. In establishing a route to Ecuador, let us say, by Pan American or by any other company—and of course Pan American is the largest in that service—is the route requested by CAB? In other words, does CAB request that a certain service be instituted to a particular point in Latin America, or does the company initiate its own service?

Mr. HOLLAND. I am told by the clerk of the committee, who has approached CAB on this point, that the initiation has sometimes come from the State Department for the consideration of establishment of routes to our friendly neighbors, but that the initiative does not come from CAB itself.

Mr. FULBRIGHT. I think that is a point that should be developed in the future. We know how the feeder lines, as we call them, get started, and of course I am in sympathy with the purpose of and the justification for airline expansion to South America. So, I was wondering whether the State Department or the Commerce Department or

some other agency of our Government initiates a request that Pan American, for example, should start service to a Latin American country. I think it would be informative and interesting if we had that kind of information.

Mr. HOLLAND. The information which I am able to offer is that the State Department has on occasion requested that CAB investigate the possibilities of establishing such service, and has requested one of the carriers to apply for the institution of a line to one of the friendly Latin American countries.

Mr. FULBRIGHT. I should like to ask one further question. I read in the newspapers today and yesterday that there has been reached a tentative agreement giving the new German air line the right to serve South America from some local points in the United States, and that that has raised a terrific howl on the part of some of our companies, who are opposed to it. I was wondering how that development fits into the picture of substantial subsidy payments to airlines serving the same areas, and whether such service is in furtherance of a policy by our Government aside from the interest of a given airline in making money by establishing that kind of service. I believe that is a rather interesting point.

Mr. HOLLAND. Of course, the Senator from Arkansas is correct in his suggestion, and I will follow it through by saying that unquestionably it is a part of our international policy to have America represented in international air travel.

I am sure the distinguished Senator from Arkansas has had much more such travel experience than has the Senator from Florida. However, the Senator from Florida has ridden on a KLM plane, which is the Dutch airline, from Miami to Caracas, Venezuela. The Senator from Florida has also seen planes of the British lines, of which I believe there the two, which serve Nassau and the other Bahama Islands, and the Senator from Florida has observed planes of our own carriers serving that area.

I believe it is wholesome and sound competition in the international field when our Government sees to it that the American flag is carried on the routes of trade internationally. I am sure every Senator on the floor has voted for legislation which supports that view. Certainly we should not be surprised if on an analysis of the figures we find that the extension of American airline service to Latin America is more expensive in subsidy, due to the much limited travel possibilities and the tremendous distances involved in some cases, than is the service across the Pacific and across the Atlantic which carries heavy traffic, both passengers and mail.

Mr. FULBRIGHT. I should like to compliment the Senator on his statement. I was trying to make the point that there are involved in this question matters other than merely the financial and economic conditions, and that they should be given due consideration. I agree with the Senator that our country should have adequate representation in international airline service. There is only one reservation I would make—and

I believe the Senator has covered that very well—that the bookkeeping ought to be very carefully done. I hope the General Accounting Office is checking the figures very carefully. The companies do their bookkeeping pretty well, and I think the General Accounting Office should do its bookkeeping equally well.

Mr. HOLLAND. I certainly appreciate the comment of the distinguished Senator from Arkansas, and I agree with it completely. Perhaps it would be well to add the basic comment that a subsidy is approved when a company cannot, on the average, carry a large proportion of its capacity, and of necessity has to travel with only part of its capacity filled, whether it be by passengers, whether it be by mail, or whether it be both. That is the reason why the feeder lines of the United States show a need for greater subsidies than do the great trunk lines. It seems to me, without claiming to have particular familiarity with the subject, that as a matter of common knowledge we can say that is the reason why carriers operating to Latin America show the necessity for a greater subsidy than do those operating across the Atlantic or across the Pacific.

Mr. NEUBERGER. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. NEUBERGER. I should like to ask a question of both the Senator from Florida and the Senator from Illinois. The question of airline subsidies is a matter, among many others, about which I know very little. I represent in part a State which has some very small isolated communities which are served by very small feeder airlines. Without such feeder airlines there would be no service whatsoever. The landing fields are not adequate to accommodate the planes of the larger airlines.

This is what I should like to know: What effect would the amendment of the distinguished Senator from Illinois have on such a situation?

Mr. DOUGLAS. Technically, I have no amendment.

Mr. NEUBERGER. I refer to the Senator's proposal, or the issue he is raising. What would be the effect on the ability of some of the small feeder airlines to continue to operate? They are marginal operations. They have not made great profits, but if they should fail and go under, the small communities to which I have referred would have absolutely no airline service whatsoever.

Mr. HOLLAND. Mr. President, I should like to answer the distinguished Senator from Oregon, and then I should like to yield to the Senator from Illinois in order that he may answer.

Directly, there would be no immediate effect, because the amount of the obligation of the United States to the airlines is created not by the appropriation, but by the rate fixed by the CAB under laws which we have passed and under directions given by the Congress. But if airlines are forced to operate and are not able to receive their subsidy payments promptly, in the first place, it will make it more difficult for them to operate, because they will have to operate on an interest-paying basis.

In the second place, it will make it more difficult because even if they are able to hold on and see it through, they will never get on a nonsubsidy basis because the interest they pay is an expense which is allowed as a part of the operating expenses which contribute to the rate.

In the third place, if this kind of policy should prevail generally and if Congress should refuse to recognize the obligation of the United States, which is what the House committee report recommends, ultimately there would be chaos, and there would either have to be a restatement of the law, which, of course, would directly affect the small carriers mentioned by the Senator from Oregon, or Congress would have to face up to the problem in a much more definite way than by simply delaying payments. That is what the unwillingness of the distinguished Senator from Illinois to go along with the committee amendment indicates—an unwillingness to come to grips with the fact that we have got to pay our accounts and that we should leave our agency, the CAB, in a position to pay those accounts promptly when they are due.

Mr. DOUGLAS. Mr. President, there is no intention on my part to reduce subsidies to the feeder lines, which usually run north and south. The amount provided by the House, \$40 million, would be ample to meet their subsidy claims, which amount next year to \$25 million, and which may be less as the volume of traffic of the feeder lines grows. It would permit some payments to other lines.

Last year Congress cut the subsidies, but it did not affect the feeder lines. What it did affect was one company, Pan American Airways, and the real issue here is whether the subsidies to that company are or are not excessive.

Mr. NEUBERGER. I thank the Senator from Florida and the Senator from Illinois. A reduction might have a crippling effect, and could well be disastrous to an airline such as the Pioneer in the Rocky Mountains and on the west coast in Oregon.

Mr. DOUGLAS. Last year Congress acted to reduce the total subsidies and, so far as I know, those lines did not lose anything.

Mr. HOLLAND. Mr. President, to make my answer more complete, I should like to invite attention again to the figures which I placed in the RECORD before the Senator from Oregon was able to reach the floor. They show that of the \$63 million in the budget, \$25,135,000 is for local service carriers, domestic lines; \$2,928,000 is for helicopter service, which is also in the same category; and \$8,790,000 is for Territorial air operations, mostly for the Alaskan line. So the Senator can see that all but \$21 million of the \$63 million directly affects the class of operation of which he speaks. The domestic lines occupy the largest part of this field.

When I said they would not be immediately affected, I should have called attention to the fact that the Congress does not determine the obligation; the obligation continues to exist. If payments are not made promptly, and the

companies cannot pay their bills, we are making it more difficult for the small airlines mentioned by the Senator from Oregon to operate.

Mr. President, I yield the floor.

Mr. DOUGLAS. Mr. President, the Senator from Florida has raised a number of issues. In the first place, he appealed to all friends of the chairman of the subcommittee, all friends of the committee, all friends of the administration, all friends of the General Accounting Office, all friends of the CAB, and stated that my motion was, in effect, a vote of no confidence in them.

I have the greatest respect for the energy and public spirit of the Senator from Florida and the other members of the committee, and I think he should not take this matter in any personal sense whatsoever. But there is a question of public policy involved. There is no question of personal dereliction on the part of any Member of the Senate. I think the General Accounting Office and, particularly, the CAB, have been negligent in the performance of their duty, to put it mildly, and I stand on that point. But I wish we could get away from the tendency of the committee chairman to view any opposition to the proposals which the committee advocates as a personal reflection upon the members of the committee, because certainly that was not my intent and is no part of my purpose.

The Senator from Florida made the plea that the Civil Aeronautics Board, after 15 months of nonaction, is now going to get on the ball and act. This has a very familiar ring, because when the hearings were being conducted last year the then Chairman of the Board made a similar promise, but nothing has been done in the meantime.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. HOLLAND. I think the Senator has not correctly understood my statement, which was that the auditing and book work had moved ahead just as rapidly as possible; that the Chairman of the Board had requested Congress to provide funds for some additional book workers, so that the matter could be brought to a head at the earliest possible date.

I simply called attention to the fact that when in the case of an operation of many years duration it becomes necessary to restate it in terms of a new rule announced by the Supreme Court, and now followed by the CAB, it is not an overnight operation.

I called attention to the fact that the same lawyer who had successfully handled the case in the Supreme Court of the United States had now been moved up to the position of Chairman of the Board, in order that he could, as quickly as possible, follow through, and he has asked from Congress funds for additional help, so that he can follow through with greater speed. We have provided those funds. I appreciate the fact that the Senator from Illinois was agreeable to the granting of the additional aid by not opposing that particular amendment.

Mr. DOUGLAS. Of course. I merely wish to point out that the CAB has for many years failed in its job of auditing the accounts of airlines, and perhaps, in particular, in not auditing the accounts of Pan American Airways. It has had 16 months in which to get ready to settle up claims under the Supreme Court decision.

While the Senator from Florida is completely correct that there would be no offset against some of the companies listed, such as Western, TWA, and United, there would be claims of \$6,800,000 against Pan American. To date, those claims have not been pushed. That is the item as to which I am speaking on the question of auditing.

The accounts of subsidiaries of Pan American have never been audited. Yet in 1953 they had a deficit of \$2,500,000, which could only have been made good by Pan American, which in turn asked for the subsidies.

The subsidiaries are very interesting organizations. They include, but are not limited to, the "Ten Superb Hotels," which are advertised as attractions in the Pan American pamphlet I hold in my hand, and which have some very interesting descriptions, which I placed in the RECORD a day or 2 ago. They are obviously luxury hotels.

The description of the Hotel Grande, a picture of which I hold before me, says:

Spacious guest rooms reflect the magnificence of the days of the Amazon throne.

I believe that every man in the United States should be a king; but I do not believe he should live like a king at the expense of the United States taxpayer. I do not believe the standards of the Amazonian throne should be saddled upon the taxpayers of the United States.

Other hotels are described. I observe in the photographs some very beautiful swimming pools, which are of a fashionable, kidney shape. I see scattered around them cabanas. I think that is the correct pronunciation; may I ask the Senator from Florida if it is correct?

Mr. HOLLAND. It is.

Mr. DOUGLAS. The cabanas enable those who go swimming to partake of the joys of life on the Latin American Riviera.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HOLLAND. I think the Senator from Illinois shows a very creditable acquaintance with cabanas; I am glad he has enjoyed them.

Mr. DOUGLAS. I am perfectly willing to enjoy them; but when I have enjoyed them, I have paid for them; I have never used the Pan American air intercontinental hotel cabanas. I have not asked that the cost be saddled upon the taxpayers of the United States. And they have been rather inexpensive cabanas, too, I may say.

Here is a picture of another beautiful hotel, this one in Mexico City, the Hotel Reforma. The pamphlet states:

The Cafe de Paris of the Reforma is served by spotless kitchens, an international staff * * * and the wine cellar offers a fine assortment of carefully selected vintages. The international society that congregates at the Reforma adds a further dash of color and

excitement to a thrilling visit in Mexico City.

Mr. President, I have never mixed with international society. When I have traveled abroad, I have stayed at modest boarding houses. I have not wished to associate with the so-called international set. From what I have heard about them, I do not think they are particularly attractive.

But this attraction is held out as an inducement, yet the hotel is operated at a deficit which is added to the deficit of the Intercontinental Hotels Corp., which is owned 100 percent by Pan American, and therefore is paid for by the taxpayers of the United States.

I shall hold up the pamphlet, so that Senators may see the pictures of these beautiful hotels.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. LONG. Can the Senator from Illinois tell us the amount of money which is lost by Pan American each year on its hotel system?

Mr. DOUGLAS. In 1953 the hotels lost over \$2,500,000.

Mr. LONG. Does the Senator have any later figure than that?

Mr. DOUGLAS. No, I do not; but I find on the outside of the folder a list of "10 superb hotels—with more to be added worldwide."

This is only a taste of things to come, provided the subsidies are kept up.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. No; I wish to conclude my reply to the Senator from Louisiana.

The only reason, and it is a good and sufficient reason, why I do not have the information for 1954 requested by the Senator from Louisiana is that an audit has not been made. I managed to get the figures for 1953, which I placed in the RECORD. I may say that I have been carrying on an extensive correspondence with the General Accounting Office on this question, and have been able to extract some information from them and from other sources.

Mr. LONG. Mr. President, will the Senator further yield for a question?

Mr. DOUGLAS. I yield.

Mr. LONG. What concerns some Senators is that there are airlines which would like to compete for some of the business—not the hotel business, but the flying business.

Mr. DOUGLAS. That is correct.

Mr. LONG. For example, there are charter carriers and cargo carriers which would be delighted to compete, on a non-subsidized basis, and to carry freight, mail, and other cargo in the international service. The CAB denies them the right to compete. It seems rather unfair for the Government to subsidize certain lines and to guarantee them traffic, while other lines are willing to operate without a subsidy.

Perhaps an amendment to the organic act would be necessary to make it possible for non-subsidized lines to compete. However, it would certainly appeal to me if it could be made certain that the companies which desire a subsidy to haul

the mail should not have a preference over companies which are willing to haul mail cargo and various other types of Government freight at no expense to the Government, and often at a saving.

Mr. DOUGLAS. I quite agree with the Senator from Louisiana. I think the CAB has progressed much further than the old theory of the chosen instrument. While it has not granted absolute monopolies, it has granted strong preferential treatment to Pan American.

A very important point has not been covered in the debate, but it should be made known. For example, Northwest Airlines recently was in a very shaky financial condition. That line competes with Pan American to Alaska. Pan American's Alaskan Division would receive a subsidy of \$1,356,000, as shown on page 287 of the hearings, for the States-Alaska operation. Northwest Airlines receives no subsidy.

Northwest Airlines also flies the Pacific over the northern route to Japan. Northwest Airlines does not receive any subsidy for this.

Mr. LONG. Is Northwest Airlines permitted to fly to Hawaii?

Mr. DOUGLAS. The answer, I believe, is that they were allowed to fly into Hawaii only after the White House reversed itself.

Mr. LONG. Then, if Northwest Airlines flies on a non-subsidized basis to Japan, what right has the Government to deny it the right to fly to Hawaii?

Mr. DOUGLAS. I think that is an extremely good question. I may point out that Northwest gets no subsidy on its transpacific operations, but Pan American, Pacific, gets a subsidy of \$2,262,000. It was only because a group of Senators protested that the White House reversed itself.

Mr. LONG. Is Pan American still receiving a subsidy on its Pacific flights?

Mr. DOUGLAS. I believe no permanent order stands entered denying them the subsidy. There are some temporary orders, about which I should like to speak later.

Mr. LONG. It seems unreasonable that a non-subsidized airline is denied the opportunity to share in the more lucrative business while a subsidized airline is guaranteed a monopoly of it.

Mr. DOUGLAS. The Senator from Louisiana could not be more right. That is the situation in the Pacific.

Now let us take the situation in the Atlantic. As we all know, there are two lines flying the Atlantic, TWA and Pan American. I hold in my hand the evidence, and I would appreciate it if the Senator from Florida would check me if I am not correct. On page 287 the subsidies for the trans-Atlantic subsidies are set forth. Trans-World gets no subsidies. Pan American gets \$2,669,000 in subsidies.

Here are two lines and also competing against foreign lines. TWA gets no subsidy. Pan American gets \$2½ million in subsidies.

In all, the subsidies which go to Pan American, or which are contemplated for Pan American, amount to \$17,749,000.

Very frankly, we might as well face the issue. That is the item in question, which I believe should not be granted in its entirety. That is the item.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. Certainly.

Mr. HOLLAND. The Senator from Florida also inquired about the same question, and found this was the answer. Trans-World Airline, transatlantic, flies mostly to points of great density of traffic. Pan American transatlantic serves Scandinavia; serves also some points of great density, but also points in Africa and Asia, which are not at all points of dense traffic. The difference between the two operations is that one is concentrated on the line of density, and the other is fanned out to give service wherever the CAB has felt it should be provided.

If the Senator will allow me, I should like to refer to the question of the hotels, since we were about to get away from that. After the speech of the Senator from Illinois some days ago the Senator from Florida inquired of the staff of the CAB on this subject, Mr. Mulligan, whose name has already been mentioned, and Mr. Roth, and received from them the assurance which the Senator from Florida now desires to give to the Senate. Insofar as the hotels are concerned, there is not anything in this matter which is allowed as an item in the Pan American claim for a rate. Insofar as the subsidiary lines are concerned, the Board is not allowing a part of the Pan American expense.

To make the point a little clearer and more final, I wish to call to the Senator's attention the fact that the very document from which he quoted and inserted in the RECORD, at page 6913, does not show the amount of \$2,530,000 as an item of loss to Pan American. It would not have been figured in the operating claims if it had been so shown. Instead, it is an item of investment. Mr. Mulligan and Mr. Roth both assured us of that. There is no foundation for any sound statement that the operation of the hotels is financed by the taxpayers of the United States.

Mr. DOUGLAS. I may say to my good friend from Florida there is only one source from which the deficit of the hotels can be met, and that is Pan American, which owns 100 percent of the stock. There may be some bookkeeping ledger-damage indulged in, in which an advance of cash is shown as a loan or an investment, but it pulls down the cash position of the parent company.

What was done in this case, as I think I indicated, was that an advance of \$2 million was made in a single day in July 1953 by Pan-American to the hotels, and it was interest free. The loss of that interest will be an item of cost to the Government. So, in effect, we pay not only the principal, but we pay the interest plus the principal.

Mr. Woodbridge, comptroller of Pan-American, who is also comptroller of Intercontinental Hotels, wrote himself a letter showing that the advance would be made as a loan. It may be carried as an investment, but it really pulls down

the financial position of Pan-American.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield to the Senator from Kentucky.

Mr. BARKLEY. With reference to flights over the Atlantic, we all recall that for a good many years there persisted here an effort to create a monopoly in that field.

Mr. DOUGLAS. I believe that took place in the celebrated 80th Congress, by a Member of this body.

Mr. BARKLEY. A resolution was referred to the Committee on Foreign Relations, of which I happened to be a member at the time, but the resolution was not adopted. I wonder, however, if the situation to which the Senator from Illinois has called attention, the fact that one company has a subsidy and the other has not, has any reference to that effort of a few years ago.

Mr. DOUGLAS. The Senator from Illinois tries not to be a suspicious person.

Mr. BARKLEY. The Senator from Illinois shows some success in that field.

Mr. DOUGLAS. In not being suspicious?

Mr. BARKLEY. Yes.

Mr. DOUGLAS. The situation was presented of an American airline company which tried to get a monopoly of all of the foreign aviation business, and it had powerful backing in the Senate. We all know that to be a fact. It failed to become the chosen instrument. It failed in seeking to become the exclusive monopoly. But its position has been favored and privileged since then. That airline tends to get the choice routes, as the Senator from Arkansas [Mr. FULBRIGHT] brought out. It tends to get the subsidies when the "kissing" takes place. So far as subsidies are concerned, Pan-American is always under the mistletoe.

Mr. BARKLEY. Does the Senator know—and I am asking this question purely to obtain information, because I have no information and no suspicion about what I ask—to what extent the CAB and the aviation authorities sympathize with the monopolistic effort to which we have alluded?

Mr. DOUGLAS. I cannot read their minds. It would be very improper for me to impute any motives to them, but I would say that a large number of decisions seem to have gone in favor of Pan-American, or at least the final actions taken have been in favor of Pan-American. Since I am now attacking the present administration of CAB, I must in all candor say that the preceding administration was not wholly spotless.

Mr. BARKLEY. I thank the Senator from Illinois.

Mr. DOUGLAS. I thank the Senator from Kentucky.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. Certainly.

Mr. HOLLAND. I should like to have the RECORD show at this time that the

Senate showed its customary good sense by refusing to respond to the monopoly effort to which the Senator from Kentucky has adverted; that the Senate at the same time has continued and has enlarged and has built upon the structure of CAB, in an effort to make it such an agency as could best represent our Government in doing the things which Congress has approved as being proper, and that it is payday when that agency comes forward and tells us how much it needs to pay for the obligations which it has created under the law.

The question of the effort to get a monopoly brings forth only one comment from me, and that is that the Senate showed its customary good sense in refusing that request. The Senator from Florida was here at the time, and he joined in refusing the request. I do not believe that my friend, the Senator from Illinois, was here at that time. Perhaps he did not know about it. But the fact of the matter is that now we have a payday, with a General Accounting Office check on it, to tell us how much we should pay; and the Appropriations Committee is endeavoring to recognize, not the entire bill, but a sufficient amount of the total bill, so as to allow this agency we created, the CAB, under the control of our other agency, the General Accounting Office, to keep fairly current the obligations which are created under our direction and under the law we passed.

Mr. BARKLEY. Mr. President, will the Senator from Illinois yield at this point, to permit a further interruption?

Mr. DOUGLAS. Yes, indeed, Mr. President.

Mr. BARKLEY. Going back to my interrogatory, I merely wish to emphasize that, being opposed to monopolies in any form, I also opposed that effort on the floor of the Senate. At that time I happened to occupy a responsible position.

Mr. DOUGLAS. Yes; the Senator from Kentucky was then the leader in the Senate of the Democratic Party.

Mr. BARKLEY. I am opposed to monopoly in any field—whether in aviation, railways, merchandising, or elsewhere. I have always been opposed to monopoly.

My question of the Senator was prompted by an interest in knowing whether, despite the refusal of the Congress to grant that monopoly, it has been brought about to some extent or has been encouraged by those who have administered the laws.

As I said, I was interested in obtaining the information, because I myself have no knowledge of it. But the circumstances pointed out by the Senator from Illinois are certainly worth considering. However, that may raise another question from the one now before us, if we have a legal and moral obligation to appropriate this money under existing legislation. That may raise the question of whether we should change

the fundamental law or whether we should vote for the recommended appropriation. To me, that raises a question of good faith on the part of the Government.

Mr. DOUGLAS. Mr. President, I appreciate the position of the Senator from Kentucky, who, as he has said, always has been opposed to monopoly.

I repeat that an absolute monopoly was not allowed or granted. Some degree of competition was permitted. The good routes seemed largely to go, somehow, not to the chosen instrument, but to the favored instrument.

So far as the Atlantic is concerned, Pan American is the only line which receives a subsidy. TWA does not receive a subsidy for its Atlantic flying service.

Mr. BARKLEY. I suppose in that case the biblical statement of "Many are called, but few are chosen" would apply.

Mr. DOUGLAS. That is correct.

In the Pacific, Pan-American is the only line, I believe, which receives a subsidy. Northwest Airlines does not receive a subsidy for its Pacific service. Northwest Airlines, which certainly has had a much more shaky financial record than has Pan-American, flies to Alaska, but does not receive a subsidy for it. However, Pan-American receives a subsidy for flying there.

In this case we find that favors are granted to a corporation which, on the whole, does not particularly deserve or need them.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. Mr. President, first I wish to place some additional material into the RECORD. The Senator from Florida has said that the earnings of Pan-American are below the average rate of earnings of domestic lines.

Mr. HOLLAND. No, Mr. President; I did not say that.

Mr. DOUGLAS. I thought the Senator from Florida said the earnings of Pan-American amounted to a little more than 6 percent, and that in the case of domestic lines the earnings amount to somewhat more than 8 percent.

Mr. HOLLAND. No. I read into the RECORD, from material furnished by the CAB, the record of earnings as of December 31, 1954, in the case of several lines. Pan-American was one of them, and its earnings amounted to 6.6 percent. But I made no reference at all to the average earnings of domestic lines.

Mr. DOUGLAS. Let me say that I have before me a brief in a case before the Civil Aeronautics Board, with an exhibit by the Bureau counsel; and I ask consent to have excerpts from the exhibit printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXHIBIT BC 401

Pan American-Atlantic division—Reopened transatlantic final mail rates—Excess earnings of Pan American divisions proposed for offset against Atlantic division mail pay

[In thousands]

	1951		1952		1953			Total years 1951-53
	Pacific	Alaska last 6 months	Pacific	Alaska	Pacific	Alaska	LAD	
Habana Airport rental income not accrued by PAA.....							\$247	
Total adjustments.....	\$389	—\$11	\$236	\$6	\$152	\$8	1,946	\$2,726
Adjusted net income before taxes.....	7,068	633	7,498	527	7,268	376	9,610	32,980
Actual taxes as revised from amounts in PAA stipulation I and per PAA information request (revised) for 1953.....	3,309	275	3,204	293	3,449	183	3,553	14,266
Tax effect of Habana Airport revenue adjustment.....							128	128
Adjusted profits after taxes.....	3,759	358	4,294	234	3,819	193	5,929	18,586
10 percent return on investment (see exhibit BC 405).....	2,481	108	2,725	253	2,934	297	4,119	12,917
Excess earnings available for offset.....	1,278	250	1,569	—19	885	—104	1,810	5,669
Excess earnings plus tax effect, at 52 percent.....								11,810

EXHIBIT BC 405

Pan American Atlantic Division—Reopened transatlantic final mail rates—Pacific, Alaska, and Latin American Division investment 1951-53

[In thousands]

	1951		1952		1953		
	Pacific	Alaska ¹	Pacific	Alaska	Pacific	Alaska	LAD
Investment:							
Working capital.....	\$6,421	\$1,392	\$7,900	\$1,539	\$8,259	\$1,435	\$14,704
Fixed investment:							
Before AOA offset.....	19,206	767	20,248	990	21,727	1,534	26,556
AOA offset.....	—813		—896		—650		—66
As adjusted.....	18,383	767	19,352	990	21,077	1,534	26,490
Total investment.....	24,814	2,159	27,252	2,529	29,336	2,969	41,194

¹ Average investment for last half of 1951.

Mr. DOUGLAS. The brief shows that the earnings of 3 of the 4 Pan American divisions, for the year 1953, was \$9,940,000 and that the total investment of these 3 Pan American divisions including the Pacific, Alaskan, and Latin Americans divisions was fixed at \$73,499,000. So, assuming that the figures on earnings and valuation are comparable, the net earnings would be somewhere over 13 percent on investment for these 3 divisions.

I may say that in all these matters it is very difficult to get consolidated figures, because Pan American and the Civil Aeronautics Board submit separate figures for separate divisions, for differing time periods; and it is very difficult to dovetail them. Unless the CAB holds a consolidated subsidy proceeding covering all divisions of Pan American together for the same time period, it is very hard to carry into practice the principle the Supreme Court laid down in 1954, namely, that the earnings of the company should be taken in their entirety, rather than for each division by itself.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield to me at this point?

Mr. DOUGLAS. I am glad to yield.

Mr. HOLLAND. The Senator from Illinois has said exactly what I have

said twice already, namely, that it is very hard, particularly when we go back to a period many years prior, and that the only reason for the delay on the part of the Civil Aeronautics Board—so the Board tells us—in making the offset an accomplished fact, is that it has been trying very hard to complete its audits, and has requested additional auditors. We provide for them in this bill.

Furthermore, in order to make sure that the principle of the Supreme Court's decision would be carried out promptly and successfully by the Civil Aeronautics Board, the very lawyer who successfully represented the United States in securing the decision was made Chairman of the Board.

Mr. DOUGLAS. Let me say that the Civil Aeronautics Board has made its own task more difficult by refusing to order Pan American to submit to a consolidated subsidy proceeding for all divisions for the same periods of time and to consolidate for the various divisions. It would have been a perfectly simple matter for the Board to have said, years ago, "We will audit on the basis of a calendar year or on the basis of a fiscal year, and you will submit the returns for each unit, but will consolidate them into a whole." That would have been perfectly simple, and would have been the natural thing to do. But the Board did not do that.

Sixteen months ago, the Supreme Court handed down this decision, as a principle. But to the best of my knowledge and belief, the Civil Aeronautics Board still has not required Pan American to submit to be a consolidated proceeding. So if there have been difficulties, they have been largely self-created or self-acquiesced in.

Mr. HOLLAND. Mr. President, will the Senator from Illinois yield further to me?

Mr. DOUGLAS. I yield.

Mr. HOLLAND. Does not the Senator from Illinois think that each of the carriers making accounts and reports from year to year was justified in reporting, and probably should have reported, in the form then required by the Civil Aeronautics Board?

Mr. DOUGLAS. I am trying to say that what we are really dealing with in this case is one company, Pan American; and that it should present a consolidated picture, and the Civil Aeronautics Board should order Pan American to do so; and that the Board should have ordered Pan American to do that a long time ago.

Mr. HOLLAND. Then the Senator from Illinois is saying that during all the time when the Civil Aeronautics Board was enforcing the law then existing, as the Board understood it, by allowing the form of accounting which then was followed by all airline companies, Pan American should have been following some other form, and should have been making its returns in a shape or way different from the one now required under the Supreme Court's decision and now, through the Civil Aeronautics Board, required both of Pan American and of every other line.

It seems to the Senator from Florida that nothing could be further from sound business than to take any such position. Of course, the regulated carrier was filing, from year to year, the reports required by the regulatory agency. The regulated carrier was filing exactly the reports it was required to file. To say that it should have begun to comply with the Supreme Court decision years before it was rendered is, on the face of it, rather ridiculous.

Mr. DOUGLAS. The Senator from Florida mistakes the position of the Senator from Illinois. There is a real question involved in this connection, as to who is being regulated, and who is the regulator. The CAB is supposed to be the regulator. Pan American is supposed to be the regulated carrier. At times it seems to me that it is Pan American which is the regulator. It seems to be regulating itself. That is the tendency all too frequently in the case of utilities.

What I am saying is that CAB should have provided uniform consolidated accounting for the same time periods, instead of a hodge-podge in which there are differing time periods for various divisions, making it very difficult to obtain a general picture. But I think I have discussed that subject long enough.

I wish to make another point. The hotels are not all the subsidiary activities of Pan American. It has other subsidiaries. So far as I have been able to discover, it has an interest in the Bermu-

da Development Co., Ltd. The share of Pan American is \$189,880. To the best of my belief it also has an interest in the Caracas Country Club, the Golf Club of Lima, the Middle East Real Estate Co., and so forth. I submit that these are not activities which, either directly or indirectly, should be subsidized by the United States taxpayers.

Mr. President, I have tried thus far to cover two points: First, that the decision of the Supreme Court sets up claims of \$6,800,000 against Pan American, which have not been prosecuted to date, and which can be used as an offset against any subsidy which may be owing.

Second, the subsidiaries involve Pan American in large losses, which necessarily weaken its financial position, and therefore tend to require a larger subsidy from the American public.

Let me turn, now, to the question of taxes, with which I began my speech of Tuesday. We have an extraordinary situation, in that the corporation taxes paid by Pan American are not really paid by Pan American, but are paid by the Government and by the taxpayers, to the apparent amount of \$9,300,000 for the year 1953. To my mind this is truly an extraordinary situation. The same privilege is not granted to other lines to anywhere near that degree. For example, consider American Airlines. I believe that only \$330,000 of its taxes is paid by the Government; and it is paid on the basis of the fraction of airmail traffic carried by American Airlines. I believe that only \$330,000 of its taxes is paid by the Government; and it is paid on the basis of the fraction of airmail traffic carried by American Airlines. I think that is an honest measure. In the case of American, it amounts to about 3 percent, as I understand, of the taxes which it pays. That practice is followed in the case of the other companies.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HOLLAND. How would the CAB go about allowing taxes for American Airlines when American Airlines does not receive a subsidy, and is not one of the companies entitled to receive it?

Mr. DOUGLAS. The Post Office Department makes the payment.

Mr. HOLLAND. I think the Senator from Illinois inadvertently made a statement a moment ago which I do not believe he would wish to have stand in the RECORD. I understood him to say that Pan American was accorded different treatment in this regard from that accorded other companies. The statement which we received from CAB, upon inquiring into that subject, is that exactly the same rule is applied to all companies in this regard, and furthermore, that the allowance for taxes is supported by a ruling of the General Accounting Office. I hold in my hand a letter from the General Accounting Office, signed by the Comptroller General, and dated October 22, 1954. There is a great deal more to the letter, but I quote this portion of it:

Hence I am of the view that legal authority exists for the inclusion of Federal income

taxes as allowable costs in computing mail pay rates, whether for "service" or for "need" purposes.

I wish the RECORD clearly to show that the General Accounting Office, which is the arm of the legislative branch to check on this procedure, has directed CAB as to what it can do in this regard. I think it is doing it, and that it is doing it equitably with respect to all carriers. However, it cannot do it in connection with carriers which are not entitled to receive subsidies.

Mr. DOUGLAS. I point out to my good friend from Florida that the tax credits granted to other companies are in connection with postal rates, according to the percentage of the space capacity actually required for carrying the mail.

However, here we have a case in which not only 100 percent, but, as I shall show, in some cases more than 100 percent, of the taxes are met, on the most heavily subsidized lines. If the Senator from Florida is correct in his statement that the same rule is applied to all subsidized lines, then I suggest that the rule needs modification, because there is a very great difference between meeting the tax costs for an electric utility and meeting the tax costs for air carriers. In the first place, an electric utility has a monopoly which the air carrier does not have.

In the second place, most of the traffic of the air carriers comes from other sources than the mail. The mail constitutes not more than 10 percent of the traffic carried by such lines, yet 100 percent of their taxes is assumed by the Government. I think the situation raises very real questions. If this is the general practice with respect to all subsidized lines, a question is raised as to whether the subsidy should be continued. I think the Senator from Florida has given support to the position of the House that not more than \$40 million should be granted.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. HOLLAND. It seems to the Senator from Florida that if the Senator from Illinois will only think through his position, he will realize how completely foolish would be the situation in which the CAB would be left if it were required to make payments of subsidies to a carrier at the same time the carrier owed income tax to the Government. If CAB did not offset, it would indeed be in an unsupportable position.

It appears to the Senator from Florida that the opinion of the General Accounting Office, which he has just read into the RECORD, states not only what is good law and sound auditing practice on the part of the Comptroller General, but it also states commonsense. I say that because I do not know how it would possibly be supportable as a commonsense operation for a Government agency to pay a subsidy to a corporation which owed another arm of the Government—owed the people of the United States, in other words—income taxes. Therefore, the ruling of the Comptroller General is that the law permits, and the Comptroller General so directs, that where there is a

mutuality of accounting of that sort, instead of being put into the impossible situation of paying out money to the corporation and then leaving it to the corporation's pleasure to determine later whether the tax shall be paid; the short and more direct route will be followed, namely, the subsidy is paid to the income-tax collector.

Mr. DOUGLAS. If we may turn from the technicalities of the law to the substantive matters of fact involved here, the fact remains that Eastern Airlines gets only 1.4 percent of its taxes returned through its mail pay. American and United, each of which carries more mail than Pan American, get only 3 or 4 percent of their corporate income tax paid by CAB through mail pay. Of course, they receive no subsidies.

There is one interesting point connected with this matter, namely, that tax allowances are paid by the Government to certain airlines in anticipation of what their taxes may be, and in that connection the evidence shows that we have paid certain airlines more as tax allowance than the taxes have actually amounted to, and that they have had a windfall of 2 or 3 percent. The material I have prepared indicates that in the case of Pan American we have paid 102.6 percent of its taxes. This fact was admitted by CAB, because on page 2120 of last year's hearings I find the following quotation inserted from page 2 of CAB Order E 4561, of August 25, 1950, in which the Civil Aeronautics Board admitted:

In computing such tax allowance in previous cases, however, the basis used has in many cases resulted in making provision for a greater amount of the tax than would ever be paid by the carrier.

In questioning the CAB representative at last year's hearings, as we may see on page 2166, his answer was that that statement was unquestionably correct, and he further admitted that this policy undoubtedly resulted in a windfall to some carriers in some years.

The hearings of last year also indicate that one airline received a windfall of \$1¾ million, and CAB was requested to answer the affidavit that had been made in that case and to produce any other cases of windfalls.

Later, according to last year's hearings, CAB was requested to state, first, who got the tax windfall, second, how much the tax windfall amounted to, and in what year, and, third, what if anything had been done to recover the money. Last year CAB failed to answer these questions.

It is my further understanding that during the open hearings held by the appropriations subcommittee, in the presence of witnesses—although the exchange is not printed in the hearings—Messrs. Roth and Mulligan, of the CAB staff, stated that a precise answer was not possible.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HOLLAND. I note the Senator has quoted from page 2166 of last year's hearings, and I believe the Senator omitted the real meat of the statement by CAB. Therefore, I should like at this time to call the Senator's attention to

this statement. Immediately following the quotation which he read into the record appears the question of the Senator from West Virginia [Mr. KILGORE] and the answer of Mr. Roth, under the heading "Steps to Recapture Overpayment."

The Senator from West Virginia [Mr. KILGORE] asked this question of Mr. Roth, of CAB:

Senator KILGORE. What steps have been taken or what steps can and will the CAB take to recoup the extra money which is given to airlines for the purpose of enabling them to pay tax, part of which apparently they kept since they paid it into the Federal Treasury on orders given them by the Civil Aeronautics Board?

Mr. ROTH. The decision to which you refer was in 1950. That was only a tentative decision and is not yet final. That is all part of the Transatlantic Mail Rate case. However, in all decisions since that time—

That is 1950—

the Board has gone on the actual tax policy. Actually, the Board's decision was in a different docket number, involving Western Airlines.

And so forth. I shall not read the rest of the answer. The Senator from Illinois may read it if he wishes to do so. However, the answer makes it clear that that policy was in effect in 1950, but that the payments since that time had been made on the basis of actual taxes.

Mr. DOUGLAS. Mr. President, have the windfalls been recaptured?

Mr. HOLLAND. I am unable to say. However, we asked the CAB whether there was any recapture provision in the law similar to the one that is in effect with reference to the Maritime Board, and they replied there was not.

Mr. DOUGLAS. In other words, they have not recaptured these amounts. Is that correct?

Mr. HOLLAND. In other words, the agency of the Government to bring about recapture is the Internal Revenue Service or the Department of Justice, not CAB. That situation results from the law which Congress passed, and not from any attitude on the part of CAB.

Mr. DOUGLAS. I believe the answer to the question is that the recapture has not been effected.

I should now like to deal with the question of audits. It is stated that very careful audits have been made. I should like to point out that no audits whatsoever are made of the subsidiaries. No efforts have been made to date to recover on the offsets of past overcharges caused by not considering the operations of these lines as a whole. Furthermore, they are indulging in very questionable practices in meeting income taxes.

What is the auditing practice? The practice, as I am informed—and I believe this to be correct—is to pay the claims as submitted, but not to make an audit of them until 2 years later. What kind of business is that, Mr. President, to accept statements of claimants, but to withhold for 2 years making any check in order to determine whether claims are justified?

Therefore I cannot understand the Senator from Florida when he says that an accurate auditing system has been

put into effect by governmental agencies.

Our sister body, the House of Representatives, is as careful about the rights of private enterprise as we are. Its committee went into this subject very thoroughly this year. I should like to call attention to the report of the House committee, at page 4. Does the Senator from Florida have that report?

Mr. HOLLAND. I have that report. We had it throughout the hearings. We based our every activity upon a careful consideration of the report of the committee of the House of Representatives in connection with that particular agency, and in this particular case of the CAB, we certainly had a check and a recheck made of the items to which the Senator is advertizing.

Mr. DOUGLAS. I should like to read what the House committee said on page 4 of its report:

The sum of \$40 million is recommended for the coming fiscal year for this purpose, a reduction of \$8,900,000 below funds appropriated for 1955 and a reduction of \$23 million in the budget estimate.

Therefore the Commerce Department, in my judgment, is taking a very bad attitude in trying to boost subsidies as much as possible.

Now I come to the salient sentence:

The committee believes that substantial reductions can be made in payments to air carriers during the next fiscal year if a careful and thorough audit of each claim is made and if realistic practices in the handling of these claims are followed.

I submit, Mr. President, that the House committee is correct. A greater stimulus to careful auditing would be to reduce the appropriation, not let it remain at \$55 million. Then the CAB would have to conserve its funds and recoup some of the money. It would go into the question of subsidiaries and audit current accounts much more carefully than it now does. But if we give the Board all the money it wants, that agency, which has made such a bad record in the past, will be encouraged to sleep in the future. There is nothing like tightening the pursestrings to stimulate a desire for economy.

Mr. President, I should like to invite attention to the fact that after the House cut the appropriation from the \$63 million requested by the administration to \$40 million, CAB entered some orders that looked pretty good. That was 9 days after the House acted, and when it seemed that the money was not going to be available. But the Board made those rulings only tentatively. While I do not wish to pose as a prophet or as the son of a prophet, I would hazard a guess that if we increase the appropriation, the tentative ruling made after the House acted may be revoked, if and when the total figure is known.

Mr. President, in conclusion, I wish to deal with the legal point raised by the Senator from Florida in the beginning, namely, whether we are obligated by the actions of the CAB.

In a democracy the appropriating body is the legislature. We can never allow an administrative agency to tie up the representatives of the people and commit appropriations in advance of the

congressional action providing them. I should like to point out that until last year what we had was a combination of subsidy and mail rates. We could not distinguish between the two. We knew there was a lot of subsidy bound up in the mail rate, but it was very difficult to find out how much.

In the past I have tried to effect a separation, and have endeavored to decrease the amount appropriated for the mail rate in order to reduce the hidden subsidies, but I was unsuccessful. The Senator from Massachusetts [Mr. KENNEDY] made such an effort and was unsuccessful.

While I have sometimes been harsh with the administration, I wish to give it credit for issuing Order No. 10, which did provide for a separation of subsidy and mail rates. To my mind it was a very progressive, forward-looking, businesslike method. We are now voting on airline subsidies as separate appropriation items, no longer a part of the postal appropriation, but a part of the Civil Aeronautics Board appropriation. Congress appropriated less than the amount asked for. I wish to pay tribute to the House in this connection, and to say that there are a number of Members on the other side of the Capitol who have been very active in this matter, particularly Representative JOHN J. ROONEY, of Brooklyn, N. Y., who has made a magnificent fight.

Last year Representative HINSHAW, of California, made the identical point with which the Senator from Florida started out this morning. I refer Senators to pages 2459 and 2460 of the RECORD. He argued that the prior recommendations of the Civil Aeronautics Board were legal obligations of the Congress, but it did not deter Congress from making the cut. As I remember, last year we did not raise the House figure. It was predicted by CAB that a great catastrophe would occur in January, February, or March of 1955, that it would run out of money and that American aviation would be driven from the sky. Yet such a catastrophe never occurred. Instead of restoring the \$33 million cut which had been made, Congress, in a supplemental bill passed at the end of 1954, restored only \$8,900,000.

Thus for the fiscal year 1954 \$24,100,000 was saved to the American taxpayers; and as for the airlines, the predicted catastrophe never occurred. Instead, the airlines have reported for the first quarter of 1955 the highest profit in their history.

I submit, therefore, that this information deals with the question very thoroughly, but I should like to refer the Members of this body to a letter addressed to me by Mr. James P. Radigan, Jr., senior specialist in American law in the Library of Congress. I asked him the question whether Congress is obligated to appropriate subsidies to enable the Civil Aeronautics Board to provide allowances to carriers to pay their Federal income taxes. My question and his reply are printed on page 6919 of the RECORD. His answer was that Congress was not so obligated.

I have obtained supplemental opinions from Mr. Radigan dealing not only

with the tax matter, but with the entire question of subsidies, in which he declares that the Civil Aeronautics Board does not have the authority to obligate funds for subsidies without action directly by the Congress.

Mr. President, I ask unanimous consent that these opinions of Mr. Radigan, addressed to my colleague and good friend the Senator from Massachusetts [Mr. KENNEDY], under date of May 13, 1953, May 19, 1953, and May 24, 1954, may be printed in the RECORD at this point in my remarks.

There being no objection, the opinions were ordered to be printed in the RECORD, as follows:

EXTRACT FROM OPINION, MAY 13, 1953, BY JAMES P. RADIGAN, JR., CHIEF, AMERICAN LAW DIVISION, LIBRARY OF CONGRESS

Under the proposed reorganization plan, would the Civil Aeronautics Board have authority to obligate the funds for subsidies without action directly by Congress?

If by "without action directly by Congress" you mean without previous authorization and appropriation, the answer is "No." Article I, section 9, clause 7 of the United States Constitution provides: "No money shall be drawn from the Treasury, but in consequence of appropriations made by law. * * *". This clause is a restriction upon the disbursing authority of the executive department, and means simply that no money can be paid out of the Treasury unless it has been appropriated by an act of Congress. *Cincinnati Soap Co. v. United States* ((1937) 301 U. S. 308). No officer, however high, not even the President, is empowered to pay debts of the United States generally, when presented to them. *Reese v. Walker* ((1950) 11 How. 272). There is, however, under the present law (which would be true under the proposed reorganization plan) no method of controlling the amount allocated for individual subsidies except to the extent that the totals must not exceed appropriations. Under the present law, the cost of air mail transportation service and the amount of subsidies are consolidated and the rate of compensation is fixed by the Civil Aeronautics Board which the Postmaster General is obligated to pay from the appropriations for air mail transportation services. Under the proposed reorganization plan it would appear necessary to limit payments from the appropriation for air mail transportation services payable by the Postmaster General to the amount fixed by the Civil Aeronautics Board as the rate of compensation for these services. The payment of subsidies under the proposed reorganization plan would be made by the Civil Aeronautics Board from appropriations made therefor. It is not possible under the Constitution for any public officer or department to obligate the United States to pay any moneys whatsoever except pursuant to statutory authorization.

It is for Congress, proceeding under the Constitution, to say what amount may be drawn from the Treasury in pursuance of an appropriation, and if an officer, upon his own responsibility, and without the authority of Congress, assumes to bind the Government, by express or implied, contract, to pay a sum in excess of that limited by Congress for the purposes of such a contract, the contract is nullity, so far as the Government is concerned, and no legal obligation arises upon its part to meet its provision. *Hove v. United States* ((1910) 218 U. S. 322).

From a practical point of view no air-mail carrier or other air carrier would have a claim, other than moral, against the United States for any promised subsidies which had not been specifically authorized by statute and which had not been specifically allocated from funds previously appropriated. Con-

gress has power to recognize moral obligations. *Marion & Rye Valley Railroad Co. v. United States* ((1926) 270 U. S. 280).

THE LIBRARY OF CONGRESS,
Washington, D. C., May 19, 1953.

To: Hon. JOHN F. KENNEDY.
Subject: Power of the Civil Aeronautics Board to obligate the United States for subsidy payments under the proposed reorganization plan and under S. 1360 of the 83d Congress.

Assuming, arguendo, that the proposed reorganization plan is valid, then the power of the Board to obligate the United States for subsidy payments would emanate from section 406 (b) of the Civil Aeronautics Act of 1938 (52 Stat. 998; U. S. C. 49:486). The pertinent part of this section, with respect to subsidies as distinguished from compensation for airmail transportation service after the effectuation of the division of the function under the proposed reorganization plan, would be: "and (the need), together with all other revenue of the air carrier, to enable such air carrier under honest, economical, and efficient management, to maintain and continue the development of air transportation to the extent and of the character and quality required for the commerce of the United States, the postal service, and the national defense." The authority thus granted by section 406 (b) to consider the foregoing factor in the fixing of airmail transportation compensation is a rather nebulous basis upon which to predicate a reorganization plan under which an obligatory contract for the payment of subsidies may be made.

But even if it were sufficient authority to support obligatory contracts for the payment of subsidies, such contracts would be subject to the limitations of R. S. 3678 (U. S. C. 31:665), the first subsection of which reads: "No officer or employee of the United States shall make or authorize an expenditure from or create or authorize an obligation under any appropriation or fund in excess of the amount available therein; nor shall any such officer or employee involve the Government in any contract or other obligation, for the payment of money for any purpose, in advance of appropriations made for such purpose, unless such contract or obligation is authorized by law." If sections 483, 486, and 493 of title 39 of the United States Code, which generally authorize the Postmaster General to contract for carrying the mails, yield to this provision, as originally enacted, limiting expenditures so that appropriation is necessary for the employment of extra carriers, etc. (39 Op. Atty. Gen. 157), may it be logically contended that the general and indefinite terms of section 486 (b), pertaining to the consideration of the need for subsidies, would be outside the purview of such section? It is the settled and recognized policy of Congress to keep all of the departments of the Government, in the matter of incurring obligations for expenditures, within the appropriations annually made for conducting its affairs. *Sutton v. U. S.* ((1921) 256 U. S. 575).

The contracts likewise would be subject to the provisions of the act of June 30, 1906 (34 Stat. 764; U. S. C. 31:627) which provides: "No act of Congress hereafter passed shall be construed to make an appropriation out of the Treasury of the United States, or to authorize the execution of a contract involving the payment of money in excess of appropriations made by law, unless such act shall in specific terms declare an appropriation to be made or that a contract may be executed." As those dealing with the Government must be held to have notice of these limitations upon authority (see *Sutton v. U. S.*, *supra*), any contention that the grants or subsidies are not within the ambit of the limitations of this section is very tenuous.

If the power of the Postmaster General "to establish post offices" does not authorize him

to bind the United States by a lease for a post office building, there being no appropriation therefor (*Chase v. U. S.* (1894) 155 U. S. 489), a fortiori the Civil Aeronautics Board may not bind the United States by a contract for the grant of subsidies in excess of appropriations. If, as stated in 6 Opinions of the Attorney General 28, one appropriation does not necessarily involve the undertaking of the Congress to make further appropriations, and does not of itself empower the President to engage the Government beyond the specified sum, it is impossible to support the allegation that the Civil Aeronautics Board may bind the Government to pay grants of subsidies made by it in excess of appropriations. The general public system for the appropriation and disbursement of public moneys is permanent and unless charges are within the objects for which an appropriation is made they cannot be applied to that appropriation. (28 Op. Atty. Gen. 634.)

The foregoing observations, with reference to limitations on the authority of the Civil Aeronautics Board to obligate the United States for subsidy payments beyond the amount appropriated and available, would likewise be applicable to the Board if S. 1360 were passed. There would be, however, the additional specific restriction of the bill found on page 5, lines 2-6, which reads: "Payments under this subsection (subsidies for essential aircraft operation) shall be made by the Board out of sums appropriated to the Board for such purpose, and there are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this subsection." This wording of S. 1360 also has the additional advantage over the proposed reorganization plan in that it grants a clear authorization for appropriations for subsidies as such, which is not found in the Civil Aeronautics Act of 1938, *supra*, the foundation for the payment of subsidies under the proposed reorganization plan.

JAMES P. RADIGAN, JR.,
American Law Division.

MAY 19, 1953.

THE LIBRARY OF CONGRESS,
Washington, D. C., May 24, 1954.

To: Senator JOHN F. KENNEDY.
Subject: Reply to the criticism of Messrs. Stuart G. Tipton and Russell S. Bernhard of the Air Transport Association of America of my memorandums of May 13 and 19, 1953.

"1. The Civil Aeronautics Board, when it fixes and determines fair and reasonable rates of compensation for the transportation of mail by aircraft pursuant to section 406 of the Civil Aeronautics Act does not create an obligation of the Government for the payment of money."

No contrary opinion on this point was given in my memorandums to you nor is the point now denied. There was no assumption on my part, nor was any statement made in the memorandums to you upon which an implication could be fairly drawn, that the establishment of a rate for mail transportation in and of itself created an obligation on the part of the United States. Further, it is a *non sequitur*, as are points 2 and 3 of the memorandum of Stuart G. Tipton and Russell S. Bernhard of the Air Transport Association of America. To establish the point that a fixed rate for service does not create an obligation until the service is rendered, does not prove that the United States is legally obligated to pay the amount of subsidies found to be desirable by the Civil Aeronautics Board.

"2. When mail service is performed by an air carrier pursuant to the requirements of section 405 (g) of the Civil Aeronautics Act, an implied contract arises which is sufficient in law to support a judgment in the United States Court of Claims against the Government for compensation due."

Granted, but what has this to do with the Civil Aeronautics Board creating an implied legal obligation upon the Congress to appropriate the amount of subsidies which the Board feels the air carriers may need? Because there is a legal obligation to pay fair and reasonable rates of compensation for the actual transportation of mail by air carriers, it does not follow that there is a legal obligation on the part of Congress to appropriate the amount of subsidies found to be desirable by the Civil Aeronautics Board. Further, the case, *Capital Lines, Inc. v. Civil Aeronautics Board* (171 F. 2d 339), cited, hardly supports the rationale, or rather the supposition, that the right to subsidies is as obligatory as the right to just compensation. To the contrary, the court disposed of the contention that the Civil Aeronautics Act entitled air carriers to the readjustment of rates to insure profitable operation. The words of the court are as follows:

"The act, with its regulatory provision, is not intended to underwrite profitable operation of a carrier's business, any more than statutes imposing regulation of public utilities are intended to insure them a net revenue. *Federal Power Commission v. National Gas Pipeline Co.* ((1942) 315 U. S. 575, 590, 62 S. Ct. 736, 86 L. Ed. 1037), and cases cited.

"3. The obligation of the Government to pay for air mail services performed arises from the mandatory duties imposed upon the Postmaster General and the air carriers under section 405 (g) of the Civil Aeronautics Act, and the limitations of title 31, United States Code section 665, are therefore inapplicable."

The obligation of the Government to pay for air mail services is granted. The rules of the cases cited, however, are that the Interstate Commerce Commission (in a railroad case) and the Civil Aeronautics Board (in an air carrier case) do not have authority to fix rates retroactive to a period prior to the initiation of the mail-rate proceedings. The thesis that these cases provide a hypothesis for the proposition that United States Code, title 31, section 665 is not applicable to subsidies allocated to air carriers by the Civil Aeronautics Board, is a patent sophistry. To transport the exception in United States Code, title 31, section 665, "unless such contract or obligation is authorized by law", so as to convert the authority to determine the need for subsidies by air carriers granted the Civil Aeronautics Board into a binding contract, is a tour de force of legal verbiage which is bound to amaze, though not convince, the perceptive reader. That the Congress is not permitted to abdicate or to delegate its essential legislative functions to others (*Panama Refining Company v. Ryan* ((1935) 293 U. S. 338, 341); *United States v. Shreveport Grain & El Company* ((1932) 287 U. S. 77, 85)), makes point 3 absolutely untenable.

"4. Reorganization Plan No. 10 of 1953 effects no substantive change in the provisions of sections 405 or 406 of the Civil Aeronautics Act."

The sentence quoted from the message of President Eisenhower in his letter transmitting Reorganization Plan No. 10 of 1953 is correct but, there is also to be found in such message the following sentences:

"1. The plan will transfer to the Board the responsibility for paying any amounts in excess of such compensation, this excess being the subsidy element of the aggregate Federal payment. * * * It will assure the Congress and the public of continuing information on the cost of this program. It will give the Congress an opportunity to review and take any appropriate action with respect to the level of subsidy aid in the course of the regular appropriation process."

This last sentence, in particular, certainly seems to be contrary to the underlying philosophy of the memorandum submitted by

Messrs. Tipton and Bernhard, which can be nothing less than that the Congress has neither the right nor the power to review, or take any action in, the course of the regular appropriation process. Further contradiction of such a philosophy is found in the following statement in the decision of the Supreme Court of the United States in the case of *Transcontinental & Western Air, Inc. v. Civil Aeronautics Board* ((1949) 336 U. S. 601), 606: "Petitioners' reading of the Act (Civil Aeronautics Act) would in practical effect have the tendency to transform it into a cost-plus system of regulations, a construction which would not harmonize with the apparent design of the act."

Mr. Tipton himself, in testifying on Reorganization Plan No. 10 of 1953 (page 10 of the hearings of July 17, 1953), stated with respect to the proposed plan: "It requires the Civil Aeronautics Board to separate subsidy from mail pay. * * *" But now he contends that, although there is a separation, they are one and the same and the air carriers, in addition to compensation paid by the Post Office Department, are entitled on the basis of an implied contract to the subsidies fixed by the Civil Aeronautics Board free of powers of Congress with respect to appropriations.

JAMES P. RADIGAN, Jr.,
American Law Division.

MAY 24, 1954.

Mr. DOUGLAS. Mr. President, to confirm my statement that there are no proper audits of Pan American Airways, I should like to quote from a report of the investigative staff of the House committee, Report No. 207 of the House in connection with the second supplemental appropriation bill of 1955. I read from page 6 of that report, as follows:

The survey indicates that the Civil Aeronautics Board does not have accurate facts or figures regarding Pan American operations. Most of the subsidiaries have never been properly audited and some not at all, and there has not been insistence that the operations of the entire system be treated as an entity, as required by a recent Supreme Court decision. If corrective action were taken, substantial cuts in subsidy should result.

Mr. President, I am about to yield the floor. I may say that it is a matter of continual wonder to me that when appropriations are suggested to benefit the health of children, to aid education, or to provide assistance for those who are at the bottom of the economic ladder, they are commonly attacked. But subsidies for those who do not need them, subsidies for those who already have enough—these are regarded as proper. In other words, if one has a large amount of this world's goods, it is all right to feed at the trough of the American public. It is only the poor and the weak who are to be denied aid from the Government.

When the Government begins to pay subsidies to private groups, it sets up vested interests which are never satisfied, which demand more and more, and which, because of the subsidies, are able to set up powerful political lobbies.

It seems to me that in order to protect the public purse, a stop should be put to this. That is why I think the House was correct, and why I believe the Senate committee, with the best intentions in the world, erred.

I yield the floor, and ask unanimous consent that certain letters be printed in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JUNE 7, 1955.

HON. CARL HAYDEN,
Chairman, Appropriations Committee,
United States Senate, Washington,
D. C.

DEAR SENATOR: I am enclosing herewith a letter I have received from Mr. Norman MacDonald, executive director of the Massachusetts Federation of Taxpayers Associations, Inc., in behalf of a \$50 million reduction in the 1956 CAB airline-subsidy appropriation.

Mr. MacDonald has made a long study in this field, and inasmuch as it reflects a view which I have long held, I respectfully request that his letter be printed in the hearings of your committee.

With every good wish,
Sincerely yours,

JOHN F. KENNEDY.

MASSACHUSETTS FEDERATION OF
TAXPAYERS ASSOCIATIONS, INC.,
Boston, Mass., June 6, 1955.
Senator JOHN F. KENNEDY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I am attaching herewith a complete statement by Postmaster General Summerfield of the assertions which have been made by his Department under the Supreme Court decisions of February 1, 1954, in the case of *Summerfield v. Civil Aeronautics Board*, which itemized assertions, you will note, total \$50,798,000.

It is, of course, possible that the Postmaster General exaggerated, but if he did so, he succeeded in deluding the Supreme Court, which ruled for him, 9 to 0.

This point ought to be better understood than it seems to be by the new Chairman of the Civil Aeronautics Board, Mr. Rizley, since I note from page 2200 of the hearings of the Appropriations Committee a year ago on the Civil Aeronautics Board that Mr. Rizley's name appeared on the brief as one of the solicitors for the Post Office Department. It is, therefore, particularly surprising, since he has this background on the case, that in his new capacity as Chairman of the Civil Aeronautics Board he is now reiterating the self-protective argument made last year by the staff of the Civil Aeronautics Board.

At the time when the cut made by the House last year in the CAB subsidy appropriations was sustained by the Senate, June 4, 1954, one of your colleagues stated on the floor of the Senate: "The simplest way for us to recoup the money is to hold up on further appropriations until the debt is paid back. We do that in the case of Government servants, so why not do it in regard to the subsidized airlines?"

This argument has a plain, commonsense appeal to me and I hope it may have to you also.

I have noted in recent news items that on April 20, 1955, Trans World Airlines refunded \$719,882 to the Government and did it by means of a check made out to the Civil Aeronautics Board. Subsequent news items indicate the Civil Aeronautics Board is using this money to pay the subsidy claims of local service or feeder airlines.

If that procedure can be followed in the case of the \$700,000 from TWA, it seems to me perfectly feasible that it can and should be done with regard to whatever part of \$50,798,000 is finally adjudicated as due the Federal Government.

The fact that in the 15 months following the Supreme Court decision practically none of the \$50,798,000 has been recovered for the Government prompts me to suggest that greater zeal will be shown by the Civil Aeronautics Board in recovering amounts due to the Government if they have to use the amounts recovered to pay future subsidies.

In the case of airlines which will continue to be receiving subsidies during 1956, and I believe that that is true of all except 1 of the 6 companies listed in the Postmaster General's letter, it should be possible for the Congress to force the Civil Aeronautics Board to deduct from the future subsidy payments the amounts which those same carriers owe to the Government. For example, if the Government proposed to pay Airline XYZ a subsidy of \$17 million and discovered that under the Supreme Court decision that airline owed the Government \$7 million, obviously the Government should not pay the 17 but should only pay the 10, in order that the 7 might in that way be recovered.

The Post Office Department officials themselves state that their assertions cover "amounts available as offset against the subsidy claims of the air carriers."

What needs doing is to force that offset to be made, and I can think of no better way to do it than to hold back on future appropriations.

I note with pleasure that my philosophy on this matter is shared by the House Appropriations Committee in the statement on page 7 of House Report 207 regarding the subsidies:

"The committee is of the opinion that the Supreme Court decision, if properly adhered to, will result in a substantial reduction in the amount of subsidy, and that the amount allowed by the committee will be sufficient to make payments during the remainder of the fiscal year to domestic lines and international carriers who are not affected by the Supreme Court offset decision."

The slowness of the CAB to implement the Supreme Court decision makes the average taxpayer suspicious that the Civil Aeronautics Board and the recipient airlines may be stalling off the settlement of claims by the Government while they proceed in their attempts to secure legislation (such as S. 3426 by the late Senator McCarran, or S. 1462 of the present Congress) to repeal the law upon which the Supreme Court decision was based.

The \$50 million estimate by the Postmaster General mentioned in my telegram of April 15 to you, is only one of a number of very specific reasons why I urge a drastic reduction of the airline subsidy appropriations.

I would specifically like to see the Congress provide that none of the subsidies to airlines voted at the public expense be given for the purpose of paying the Federal income taxes of the recipient airlines. At the hearings last year on the CAB, page 2165, the Civil Aeronautics Board estimated that approximately \$13 million out of the appropriations which they were requesting from your committee represented allowances which they planned to give to certain companies so that those companies might then pay their Federal income taxes. It appears to me that the granting of additional subsidies at the public expense to cover the Federal income taxes of certain airlines is a practice of very doubtful legality. Several court decisions supporting my point of view are to be found on pages 2261 and 2262 of the hearings of last year on the CAB appropriation for fiscal 1955. In one of those decisions the court held: * * * "The act, with its regulatory provision, is not intended to underwrite profitable operation of a carrier's business. * * * If the Government is not obligated to provide a profit to a private airline at the public expense, the Government is certainly not obligated to pay, at the public expense, the Federal income taxes of certain private airlines."

A review of your hearings of last year reveals further abuse of this practice which might be entitled "Tax Windfalls." It appears that the Civil Aeronautics Board itself admitted (your hearings, p. 2120) that: "In computing such tax allowances in previous cases, however, the basis used has in many cases resulted in making provision for a

greater amount of tax than would ever be paid by the carrier."

I hope you will ask the Civil Aeronautics Board and such other Federal agencies that may be involved what has been done to recoup these past overpayments or tax windfalls.

I hope you will also find out from the Civil Aeronautics Board how much these tax windfalls have amounted to in the many cases which they admit to have occurred and that you will further subtract that sum from future appropriations.

Still another abuse of subsidies which has been revealed in the hearings before the committee and before the House Appropriations Committee is the failure of the Civil Aeronautics Board to have subtracted from the expenses of subsidized airlines which are allowed by the CAB in computing their mail rate the expenditures by the recipient companies on extracurricular subsidiaries such as hotel chains. A list of the subsidiaries of subsidized airlines may be found on pages 2159-2164 of the committee hearings of last year on the Civil Aeronautics Board. Comparison of that list with the list on pages 387-388 of this year's House hearings on the 1956 CAB budget indicates that the expenditures and/or investment of subsidized airlines in extracurricular activities such as hotels and real-estate development companies have increased considerably. To take a specific example, you yourself can ask the Civil Aeronautics Board if it is not true that during the calendar year 1953 the airline for which they are proposing to give the largest amount of subsidy at the public expense, Pan American, spent some \$2,500,000 more on its wholly owned subsidiary, Intercontinental Hotels Corp., than it received back. If the Congress were to force the CAB to subtract that \$2.5 million from the airlines' expenditures in computing the mail rate to be paid to that airline, then the gap between the airline's total expenditures and its total revenues would be narrowed by \$2.5 million and their claims for subsidies would accordingly be reduced by \$2.5 million in a single year. Diligent interrogation of the Civil Aeronautics Board concerning the relationship of subsidized airlines to other subsidiaries noted on the list already in the possession of your committee would unearth other concrete economies to be achieved in the airmail-subsidy program.

In addition, I believe the taxpayers could be protected for the future if your committee were to state its intention that none of the airline subsidies appropriated by your committee were directly or indirectly to be used as expenditures or investments in non-aviation subsidiaries.

In conclusion, I feel that your committee must compare total "mail pay" expenditures (both so-called service airmail pay and subsidy) as proposed by the CAB for the fiscal year 1956 with the total expenditures for previous years. If you do so, you will find that the 1956 program outlined by the Civil Aeronautics Board is some \$21 million higher than the 1955 program, which is certainly progress in the wrong direction.

The figures submitted by the Post Office Department to the Treasury-Post Office Subcommittee of the House Appropriations Committee on page 155 of their hearings on the 1956 Post Office budget (which has already passed the Congress) indicate that provision has already been made by the Congress for "service mail pay" for fiscal 1956 in the record-breaking sum of \$77,410,000. Now comes the Civil Aeronautics Board asking you for an additional appropriation, over and above the \$77,410,000 of service mail pay which you have already voted, of \$63 million in outright subsidies, or gifts at the public expense, for a total "mail pay" program for 1956 of \$140,410,000. This proposal by the Civil Aeronautics Board for \$140 million of mail pay and subsidies for fiscal 1956 would, if enacted by the Congress, be the

highest appropriation for "mail pay" in American history. And all this is proposed at a time when the airlines are enjoying the largest profits in their history.

It should further be noted that fewer companies are scheduled to receive subsidies in 1956 than were scheduled to receive them in previous years, all of which makes the proposed increase still more unreasonable. Pan-American remains the only really large line receiving big subsidies. Recoupment of sums owing to the Government under the Supreme Court decision or under the heading of "tax windfalls" and so forth, should help bring in the money for such genuine subsidies as the small feeder lines may require for defense or experimental purposes without the necessity of voting the full appropriation. This whole airline subsidy program, which Congress started to reduce in fiscal 1955, has to be firmly and consistently scaled downward so we will very soon be able to eliminate this item of Federal expenditure entirely, and not just talk about eliminating it.

We have seen small justification for these huge subsidies. We find (Senate Appropriations Committee hearings on CAB of last year, p. 1717) that despite frequent intimations that these subsidies are serving a defense purpose, the specific defense activities of installing into commercial airplanes special military communications and navigation apparatus for the purpose of adding to the ability of those planes to perform military airlift in event of war has not, is not, and under the proposal of the Civil Aeronautics Board, will not be paid for by these Civil Aeronautics Board subsidies. Instead, this installation of defense features in commercial planes is being paid for by a separate appropriation within the appropriations for the Department of Defense.

While the action of the House Appropriations Committee on May 19 of reducing CAB subsidies by \$23 million is a step in the right direction, I feel that it is not enough, and that a reduction of \$50 million is called for.

A \$50 million cut was proposed in House Report 1242 of the 83d Congress, but was not fully carried out.

You will note that even after a \$50 million reduction in the subsidies, the total mail-pay-and-subsidy appropriations for fiscal 1956 would total \$90 million, or more than was spent on this same item at the time when the Hoover Commission, alarmed at the rapid increase of "mail pay" expenditures, first called for reform.

You will also note that the specific items calling for a reduction in subsidies which I have fully described above, and which are a matter of record in your committee, total more than the \$50 million cut which I am recommending:

Assertions by Postmaster General under Supreme Court decisions	\$50,798,000
Income tax allowances (per year)	13,000,000
Minimum saving on nonaviation subsidiaries	2,500,000
Total	66,298,000

These items of reduction do not even include estimates of savings in subsidy spending which could be accomplished by complete and prompt audits, recovering tax windfalls, disallowing large parts of expense accounts, eliminating overscheduling, lowering service mail rates.

You can, if you want, permit airline corporations who are appealing for a public dole at the expense of the American taxpayers to own and spend money on a string of luxury hotels in foreign countries; you can, if you want, permit the Federal income taxes of certain large airline corporations to be paid at the expense of all the other taxpayers; you can turn your back on the need for proper audits before the expenditure of airline sub-

sidies is forgotten 2 or 3 or 4 or 5 years later; you can forget about the tax windfalls enjoyed by certain airlines which should be recovered for the Government; you can go on appropriating subsidies, at the public expense, to be spent in contradiction of the decisions of the Supreme Court, upon airline companies that owe—instead—enormous amounts of money to the public treasury—yes, you of the Congress have a free hand to appropriate as much or as little of the taxpayers' money as you wish to subsidize certain private airlines—but, if you have a reasonable regard for the welfare of the taxpayers of your State and of the Nation, and for the principle of thrift, you will vote whenever the opportunity offers to reduce the airline subsidies requested by the Civil Aeronautics Board by at least the \$50 million documented in this report.

Sincerely yours,

NORMAN MACDONALD,
Executive Director.

Mr. HOLLAND. Mr. President, I wish to make a brief reply, while a reply is particularly appropriate, and I hope the Senator from Illinois will follow me.

The Senator has quoted, in support of his position that the Senate does not have to appropriate funds to meet lawful obligations of the United States, a letter, or a series of letters, from Mr. Radigan, of the legislative reference staff of the Library of Congress.

In the first place, it is no secret to the Senate that we do not have to meet lawful obligations of the United States if we do not want to do so. But it has been the uniform practice, since I became a Member of the Senate, when lawful obligations have been created and have come due, for the Senate to attempt to learn what they are and to do its part to meet them. I believe that is the present attitude of the Senate, as I know it was the attitude of the subcommittee and of the full Committee on Appropriations. It was for that reason that we made the recommendations which we did.

As to whether or not the items were legal obligations, I think the Senate is more concerned with what might be the attitude of the Comptroller General on this point than what might be the attitude of an attorney, no matter how able he may be, on the staff of the Library of Congress, because the General Accounting Office has been established to protect Congress in these matters, and to advise us as to how we can properly meet the obligations of the United States.

On this very point I read a paragraph from the letter of October 6, 1954, from the Comptroller General of the United States to the then Chairman of the Civil Aeronautics Board, former Senator Chan Gurney. This paragraph ought pretty thoroughly to dispose of the issue as to how an obligation of the United States is created in this field.

The statutory direction that the Board fix and determine fair and reasonable rates is independent of the direction that the Postmaster General pay such rates for the transportation of mail by aircraft. The rates are not earned, and neither the Postmaster General nor the Board incurs an obligation to pay them, until mail has been transported. In other words, determination of rates is dissociated not only from the function of payment but even from the incurrence of obligation. Hence, I am of

the view that the existence or nonexistence of appropriations does not in any way restrict or interfere with the ratemaking duties of the Board.

The Comptroller General could not have made it more clear that it was the duty of the Board to fix rates after proper hearings; and that when the Board has fixed rates, the cold issue then is whether service was performed and the mail transported under them; and once the mail was transported under those rates, the operation was complete.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HOLLAND. If the Senator from Illinois will permit me to pursue my point a moment longer, I shall yield when I have finished. I have already pointed out that the present able Chairman of the Board was formerly Solicitor for the Post Office Department, and in that capacity succeeded in obtaining from the Supreme Court of the United States a decision which required the whole organization of any air operator to be considered for rate making as one entity. Now, as Chairman of the Board, he is trying to enforce that ruling as quickly as possible.

I read from his statement before our subcommittee as it appears on page 266 of the hearings. His statement, I think, was clearly in accord with that of the Comptroller General, and was clearly in accord with sound dealing, whether it be in the Government or in private business, as to when and how an obligation is incurred. Mr. Rizley testified as follows:

At this juncture I want to make an extremely important and fundamental point clear. It is the mail rate case that determines the level of a particular carrier's subsidy, not its so-called monthly claim. A mail rate case involves notice and hearing; in short, a formal proceeding. It is the Board's order issued in the proceeding which fixes the carrier's subsidy as part of its total compensation pursuant to section 406 of the act for a service rendered, i. e., carrying mail. The order constitutes, in effect, a contract between the carrier and the Government.

The Senate committee could not more fully approve the statement of the Chairman of the Board that when, after proper hearing, after proper notice, and after all parties have been heard, the CAB issue its rate order and the order becomes final—we all know that a right of appeal to the circuit court of appeals exists if injustice has been done—the carrier must comply therewith, and carry the mail, and when the mail has been carried, he is entitled to be paid, and his contract, based upon the order, is complied with when it becomes effective.

It seems so clear to me that that is fair course of dealing that I do not care to debate the question further.

I yield to the Senator from Illinois.

Mr. DOUGLAS. The opinion or opinions which the Senator from Florida has read are like the line in Gilbert and Sullivan:

The flowers that bloom in the spring, tra la, have nothing to do with the case.

The opinion from which the Senator has been reading deals with mail rates. Formerly the mail pay and the subsidy

were joined together; but by Executive Order No. 10, which was not disapproved by Congress, and is now in effect, the mail rate and the subsidy are separated.

What we are considering today is not the mail rate, but the subsidy, which is subject to the determination of Congress. If we permit the CAB to determine the subsidy, we shall be permitting an administrative board to take over the functions of a legislative body. As a matter of fact, we are getting back to exactly the condition which existed prior to the separation of the subsidy and the mail rate.

Mr. HOLLAND. I think the Senator from Illinois could not be more completely wrong than he is, because, as we understand the matter, it is the mail rate which is basic to the whole question of determining what the subsidy shall be. When the mail rate is fixed, and after the Post Office has paid a part of it, in the event the company is in a position to claim a subsidy, it is then the remainder which becomes the claim.

It is a comparison between the mail rate and the service pay, and the application of one upon the other, which creates the right to a subsidy. If the service pay is greater than the mail rate, there is no subsidy; if it is less, then there is a subsidy. It is the remaining unpaid amount which constitutes the subsidy.

Certainly I do not seek to be unfriendly in this matter in the slightest, but it seems to me that the Senator from Illinois has his remedy; and he should pursue it, if he does not like the payment of subsidies, as many of us do not, by submitting a proposal to change section 406 of the appropriate legislation.

It seems to me that any Senator who believes that Congress should take legislative action, will find himself satisfied, because Congress has taken it in the adoption of section 406. It seems to me that if the Senator from Illinois does not like the CAB, he has a remedy. If he does not like the General Accounting Office and the way in which it enforces the law, he has a remedy. If he does not like the way this matter has been handled administratively, he has a remedy.

But to say, when he comes to the floor of the Senate on pay day, that he will not recognize the claim of the carriers—which have performed under orders which were established after due process, and which have, in certain instances, resulted in earned subsidies—is not to me at all in accord with the principles which the Senator really seeks to serve.

What the Senator wants to do is to change the law, and I submit he is not taking the appropriate procedure at all to accomplish that result.

Mr. President, I yield the floor.

BIG FOUR MEETING AT GENEVA

Mr. MCCARTHY. Mr. President, recent foreign policy developments have convinced me that the administration is fashioning the free world's worst defeat since the end of the Second World War. I have some words to say about these developments which I hope may be useful.

sin, what he has in mind is to say, "Be-ware of the Communist Trojan Horse." We are aware of all the motives of the Communists. We know that they come to conferences with unclean hands. Of course the President is aware of that.

Under the circumstances, I am sure the President will be prepared to handle the interests of the United States in world affairs in a manner which will bring great credit to the United States, and to the whole world, and result in a solution of our problems without the necessity of entering into a bloody war.

No doubt some folks are growing impatient with mere talk. They want more positive assurance than words that the prospects for a "modus vivendi" with the Soviet world are improving. Many of us would like to see a stabilization of the situation in Berlin, an end to the threatening gestures in the Formosa Straits, and some positive evidence of reduced tensions in the Indochina area.

Nevertheless, the visit of V. K. Krishna Menon, who is the major adviser on foreign policy to India's Prime Minister Nehru, and the trip of Chancellor Konrad Adenauer of West Germany to Washington are both signs of a changed world atmosphere. There will be more rather than less conversation from now until the international meeting at Geneva in July. Some common understandings may be possible, but we shall certainly want to know what the Russians are demanding as their "quid" for our "quo."

Years ago, a great diplomat said that there has never been a bad peace or a good war. Every day that we move toward a good peace is a day worth remembering. President Eisenhower is trying to run up a whole calendar of good days.

President Eisenhower has consistently demanded evidence of the sincerity of the Soviet Union before considering any meeting of heads of state. The signing of the Austrian Treaty may well be regarded as providing, at least in part, some evidence that the Russians are prepared to act as well as talk about a lasting peace. It would be foolhardy, however, to believe that the Russian bear is prepared to sheath his claws. No indications of any real change of policy are apparent in North Korea, Indonesia, Red China, and Vietnam.

One of the other major premises underlying an international meeting is the importance of dealing from American strength. We are not going into any conference to betray the Western World alliance, to give up on NATO or the European Army, or the rearming of Western Germany. These are bedrock policies, and they are unalterable. Behind the policies stands the American military machine. Our Air Force must be unchallengeable. Our sea power must be decisive. Our atomic weapons must control the land. Once the Russians understand these facts, we can confer without conceding; we can sit without surrendering. Let us do a lot of listening and little talking this time.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1956

The Senate resumed the consideration of the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 7, line 16.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Green	Millikin
Anderson	Hayden	Monroney
Barkley	Hennings	Mundt
Barrett	Hill	Neely
Beall	Holland	Neuberger
Bender	Hruska	O'Mahoney
Bennett	Humphrey	Pastore
Bible	Ives	Payne
Bricker	Jackson	Purtell
Bridges	Jenner	Robertson
Bush	Johnson, Tex.	Russell
Butler	Johnston, S. C.	Saltonstall
Byrd	Kerr	Schoeppel
Carlson	Kilgore	Scott
Case, N. J.	Knowland	Smathers
Case, S. Dak.	Kuchel	Smith, Maine
Chavez	Langer	Smith, N. J.
Cotton	Lehman	Sparkman
Daniel	Long	Stennis
Douglas	Magnuson	Symington
Duff	Malone	Thurmond
Dworshak	Mansfield	Thye
Ellender	Martin, Iowa	Watkins
Ervin	Martin, Pa.	Welker
Frear	McCarthy	Wiley
Fulbright	McClellan	Williams
Gore	McNamara	Young

The PRESIDING OFFICER. A quorum is present.

Mr. O'MAHONEY. Mr. President, it is my understanding that the question before the Senate is on agreeing to the committee amendment which appears on page 7, line 16, and which increases the appropriation for payments to air carriers from \$40 million, as proposed by the House, to \$55 million, as proposed by the Senate committee, which sum will remain available until expended.

The PRESIDING OFFICER. The Senator is correct.

Mr. O'MAHONEY. I understand the Senator from Illinois [Mr. DOUGLAS] has made some remarks in criticism of the committee amendment. Having been a Member of the Senate when the laws establishing civil aviation were passed, and having been a member of the Committee on Post Office and Post Roads, which took the first steps toward encouraging the establishment of passenger transportation by private enterprise, I have a few historical facts, as I deem them to be, which I believe the Members of the Senate ought to have before them when they consider this amendment.

I believe I am in complete agreement with what the Senator from Illinois has stated. It may be that the committee may have some explanations which would change my mind, but I rather doubt it. I am sure that the Members of the Senate are familiar with the recent report of the Federal Trade Commission on the rapidly increasing trend

toward merger in the industrial field. I am sure the Members of the Senate, with few exceptions, know that the concentration of economic power in the United States has progressed to such a degree that the economic government of this country is in private hands, not in the hands of the Congress of the United States, to whom the regulation of interstate and foreign commerce was committed by the United States Constitution.

Air traffic in the United States was initiated by the Post Office Department after World War I. The Government established it as a Government enterprise. We built many planes during World War I and instructed many fliers. These fliers, with their experience and with their war planes, under the management of the Post Office Department, carried the mail across the country. They demonstrated that the transportation of mail by air was feasible. The transportation of passengers by air was not developed because venture capital was not available. The owners of private capital were afraid to invest their money in the building of passenger lines. So the Congress of the United States enacted the law which has finally resulted in the creation of the Civil Aeronautics Board. It has gone through various changes, but the fundamental principle of the law was that the Government would dip its hand into the Treasury of the United States and use the people's money to subsidize the establishment of civil aviation for the transportation of passengers and the transportation of freight.

The original law provided for the granting of certificates of necessity by the authority which was created by the law. It was designed to take the Government out of the business of flying and to put the business into private hands. That was the purpose of the legislation. It was not the purpose of the law, and, in my opinion, no word, no phrase, no sentence, no paragraph of the law can be read to indicate any intent upon the part of the Congress of the United States to give the Civil Aeronautics Board the authority to prevent the expansion of air traffic. Yet, that is precisely what the Board has been doing. Not that air traffic has not grown; it has grown; but the policy of the Board for 15 years or more has been designed to preserve the air over United States as an element in which only those lines which were existing at the time the law was passed would be permitted to fly. There were 16 trunk lines which were granted certificates of necessity. By the process of merger these lines have now been reduced to 13. They were taking subsidies consistently from the Federal Government, although they were earning profits sufficient to enable them to carry on the industry without the support of the Federal Government.

It is always very difficult, Mr. President, to persuade any private interest to give up a subsidy once it has been granted. If the Congress of the United States

is not willing to look at the facts and to end subsidies when they ought to be ended, then the people of the United States will be compelled for years to bear the burden of paying unnecessary subsidies to interests which are operating at a profit. I have no hesitation, Mr. President, in saying that that is the fact which we confront today.

I have hesitated to enter the discussion of this question because during the brief period when I was under leave of absence, so to speak, from the Senate of the United States, I engaged in the practice of law. I accepted a retainer from the North American Airlines to represent them before the Civil Aeronautics Board. I have testified with respect to that company and with respect to subsidies before committees of the Congress. I must say, however, Mr. President, that when, last June, through the development of circumstances, it was clear to me that I was again to be a candidate for the Senate, I severed my connections with the North American Airlines. Although I was their attorney last year, I have not been their attorney in any respect since just before I became a candidate for reelection to the Senate in 1954. I rise, therefore, feeling that I am perfectly free to lay before the Senate of the United States the facts as I know them.

The North American Airlines was established by some veterans of World War II, some of whom had flown over the Himalaya Mountains; others had flown in battle. After the war was over, they came back to the United States, and the Government of the United States had so much war material, including airplanes, of which it wished to make disposition, that some of the pilots sought to purchase Government planes in order to go into the business of air transportation. The idea was so in harmony with the fundamental principles of our Government and of the law under which the CAB exists, that the RFC made loans to those veterans to enable them to buy the planes in which they initiated competition with the grandfather lines which have been so diligently protected by the Civil Aeronautics Board. It seems to make no difference whether the Democrats or Republicans are in power, the Civil Aeronautics Association, which is an association of certificated carriers, has carried on warfare against competition in this subsidized field.

The North American Airlines, pioneered the low-price coach traffic. The subsidized lines never thought of initiating coach travel to invite people with small resources to take advantage of the opportunity to fly. The North American system operating only coach fares and not receiving one penny in subsidy, opened a new field in transportation.

Let me repeat, that veterans supported by the RFC, in the first place, flying former Army planes in the second place, which had to be purchased through a loan from the Government of the United States, opened an entirely new field in the transportation of passengers. They were so successful, without a penny of subsidy from the Government of the United States that they have been engaged in a profitable busi-

ness. Yet at this minute the Civil Aeronautics Board has before it a punitive proceeding intended to cut the throat of this newly established business which has developed, I think, within the past year, into a \$15 million business.

Mr. President, we talk about encouraging small business. We talk about the danger of the concentration of economic power. But when there is a system by which a Federal board, such as the Civil Aeronautics Board, operates in harmony with the subsidized carriers to execute a nonsubsidized carrier, we have one of the most extraordinary examples of what monopoly can do in partnership with government.

I do not challenge the good faith or the patriotism of the members of the Board. I merely say that they have become overawed by the arguments which are made by the huge transport association, an association which, a year or two ago, actually went to the length of providing dinners for the administrative assistants to Members of the Senate, in order to propandize them upon the issues of the conflict in their traffic. The chief officers in the office of every Senator were invited to those dinners, at which representatives of the transport association told their side of the story.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. DOUGLAS. Does the Senator from Wyoming believe that the expenses of those dinners went to increase the amount of mail pay which the Government paid to the airlines?

Mr. O'MAHONEY. No; I do not. I do not believe the administrative assistants to the Members of the Senate were swayed one iota.

Mr. DOUGLAS. No, no. My question was whether the cost of the dinners was charged to the Government.

Mr. O'MAHONEY. I do not know exactly how the transport association is supported. I assume it receives contributions from the subsidized carriers. I think that would be a very natural assumption to make.

The fact is that it became so clear, eventually, that those great lines no longer needed the subsidy, that at the beginning of this administration President Eisenhower issued an Executive order in which he directed that the subsidy pay be separated from the mail pay. The order was issued. To what extent it has been successfully carried out, I leave to the imagination of Senators.

There is nothing which I find in the report or in the bill which indicates how much of the \$55 million appropriation recommended by the committee would be applied to mail pay. But in the report of the House committee, which reduced this item from a budget estimate of, I think, \$65 million to \$40 million, I find this paragraph on page 4:

Payments to air carriers. The sum of \$40 million is recommended for the coming fiscal year for this purpose, a reduction of \$8,900,000 below the funds appropriated for 1955, and a reduction of \$23 million in the budget estimate. The committee believes that a substantial reduction can be made in payments to air carriers during the next fiscal year if a careful and thorough audit

of each claim is made, and if realistic practices in the handling of these claims are followed.

That seems to me to be a pretty sensible statement. There is no declaration in it that if the audit proves that the subsidies are needed, the appropriation will be denied. All of us know that there are numerous appropriation bills—the regular appropriation bills, the deficiency appropriation bills, the supplemental appropriation bills, and bills of that nature—into which it is the common practice to insert items designed to serve the purposes which are set forth here.

I know of no reason why the Senate should not be satisfied to go along with the House, and to hold the appropriation to \$40 million until after the audit has been made. I think the effect of doing so will be to make certain that the audit is made; that the facts will be laid before the Senate and House of Representatives; and that we shall know why it is that the Civil Aeronautics Board is pursuing a policy of seeking to revoke the charter of a line which successfully pioneered coach air service, a line which has transported hundreds of thousands of passengers without an accident, against whom there is no charge of violating the safety regulations, but which is charged merely with flying too frequently.

Mr. LONG. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LONG. I agree with the argument which the Senator has been making. The Civil Aeronautics Board has actually served as an instrument whereby thousands of ex-servicemen who were fliers in World War II have been denied the opportunity to enter the air transport field. I am certain the Senator's section of the country has experienced the same situation that has been found in the area from which I come. Large numbers of ex-pilots who have also worked in the administrative branches of aviation have attempted to go into the air transport business, only to learn that the policy of the CAB has been such as to make it possible for only a small number of them, perhaps only 1 percent, to be successful.

I suspect that the reason for the failure of a substantial number of small concerns, comprised mainly of veterans, to break into the air transport business is due to a policy established by the CAB shortly after World War II.

Mr. O'MAHONEY. I think I can explain that policy without reflection upon the members of the Board. I believe they were motivated largely by the fact that they knew subsidies were being paid to the lines; therefore, in order to keep down the subsidy payments, the Board seemed to think it was necessary to keep to a minimum the number of companies flying. So there was reluctance to grant new certificates.

But this is a new era, in which the people of the United States, from coast to coast, from southern to northern border, have become air-minded and are ready and willing to fly.

The line to which I refer is a line which has flown with safety, but the question of the revocation of its right to fly is now being tried before the Civil Aeronautics Board and if the decision should be adverse to the company it would be put out of business. I tell this story to the Senate because it seems to me to be conclusive proof that what is needed is keeping the appropriation down until an independent audit has disclosed exactly where the subsidy funds of the Treasury of the United States are going.

If the aviation industry has grown to such proportions that it may now transport freight and passengers across the Nation and over the seas without subsidy from the United States, why in the name of commonsense does not Congress take the steps to make certain that subsidies will be discontinued?

Mr. LONG. Mr. President, will the Senator further yield?

Mr. O'MAHONEY. I yield.

Mr. LONG. The Senator has had much experience with the operations of the Post Office Department. Many years ago he was an Assistant Postmaster General. Is it not correct that the airlines receive about 45 cents a ton-mile for carrying airmail as a nonsubsidized rate?

Mr. O'MAHONEY. I think the Senator is correct. I do not have the figures. I have been in the Committee on the Judiciary and the Committee on Interior and Insular Affairs today, and I have not had an opportunity to examine the figures.

Mr. LONG. Another Senator tells me that the figure is 60 cents. My recollection was that it was 45 cents.

My point is that the so-called Flying Tiger Airline, which was prohibited by law and by regulation of the Board from carrying passengers, mail, and parcel post, made a bid to the Postmaster General to carry first-class mail at 23 cents a ton-mile over its entire system. It says it can do so at a profit.

After the Civil Aeronautics Board had held up the Flying Tigers for several years, they finally agreed to let them go ahead and make a contract with the Postmaster General; and the major subsidized airlines are now in court with lawsuits to keep the mail from being carried at half the rates as it is now being carried.

Mr. O'MAHONEY. That is another illustration of the point I am making in support of the argument which was made this morning by the able Senator from Illinois, who feels that the committee amendment should be rejected. I concur in that feeling, upon the basis of all the evidence that is before me now.

I observe that the Senator from Alabama [Mr. SPARKMAN], formerly candidate for Vice President of the United States on the Democratic ticket, has now entered the Chamber. I know that he presided over a hearing of the Small Business Committee, as a result of which he came to a conclusion similar to that which I have just stated upon the floor, with respect to the false philosophy which has guided the Civil Aeronautics Board in the administration of subsidies

for airlines, and in the admission of new carriers into the field.

The field is growing. The demand is growing. It is an ideal place in which there should be new competition. But I have no hesitation in predicting that if the North American Airlines is driven from the field, and subsidies are continued as they are provided for, there will be more mergers among the so-called grandfather lines. Sixteen there were. Thirteen there are now. If the policy which the CAB is following is continued, there will be 10 in another year or so, and control will constantly be narrowed.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. I yield.

Mr. LONG. It seems to me we have heard of some smaller airlines serving so-called feeder lines, or serving small communities, without having the opportunity of flying between the large cities, where the real, lucrative revenue is derived, which need subsidies in order to extend service into areas where it does not now exist. I would oppose any effort to reduce subsidies for airlines which are trying to extend service to small communities where service would not otherwise be provided. However, the so-called grandfather lines, the ones which have the best business, the ones which operate between the larger cities on routes where the largest profits are possible, certainly should be able to operate without subsidies.

Mr. O'MAHONEY. I have no doubt about that at all. Unless we change the system, the small States and the less populated communities will receive less and less service.

The North American Airlines, of which I have been speaking, has pending before the Civil Aeronautics Board application for certificates to fly air coaches among some 21 cities, at a rate lower than the rate in effect on the major lines now flying those routes; but the CAB will not render any decision on that application, because it has given priority to a punitive proceeding, which is based not upon charges of violations of safety regulations but solely upon charges of violating minor regulations and of flying too frequently, and of giving too much service to the people of the United States. That is a very poor policy or principle, it seems to me, upon which a Government agency should act.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. O'MAHONEY. Certainly.

Mr. LONG. As a matter of fact, the people of the State which I have the honor in part to represent have service available from Eastern Air Lines, which flies to certain points, and we also have service by Delta Air Lines. By referring to page 286 of the hearings, the Senator will notice that Delta Air Lines is not a subsidized airline. Although I recognize Eastern Air Lines as one of the nonsubsidized airlines, and one of the more efficient lines, I am one of those who believe there would be more efficient service if there were competition between the two airlines. I cannot understand why the Delta Air Lines was

not given the opportunity of competing with Eastern Air Lines in rendering flying services from points in the East, such as Washington and New York.

Mr. O'MAHONEY. As long as a new enterprise will comply with regulations for the safety of the flying public and for the safety of the property which it transports, then the policy of the CAB should be the policy of the law under which it operates, which is the policy of promoting, not restraining, competition.

Mr. LONG. It is also true that Eastern Air Lines, which is a nonsubsidized line, is anxious to provide service from New Orleans, and perhaps Birmingham and other cities, into Mexico City, without any subsidy. Yet Pan American is subsidized for those flights, and we are asked to appropriate more subsidies and pay more to Pan American, while other airlines are perfectly willing to supply that service without any subsidy.

Mr. O'MAHONEY. I am very glad to have heard the remarks of the Senator from Louisiana.

Mr. President, I have no desire to prolong the discussion—

Mr. SPARKMAN. Mr. President, will the Senator yield to me for a few brief comments?

Mr. O'MAHONEY. I yield.

Mr. SPARKMAN. A few minutes ago the Senator referred to a report which was made by the Small Business Committee about 3 years ago, with reference to the so-called nonscheduled airlines. In that report we made very definite recommendations regarding the payment to air mail subsidized airlines. I have never been interested in any one particular case. The Senator from Wyoming has several times mentioned the North American Airlines. It happens that company's case is acute at the present time, because, as I understand the situation, the Board has in effect stopped it from doing business while there is pending an application for certification. Is that not true?

Mr. O'MAHONEY. The revocation order has not been made. A hearing has been held upon the punitive proceedings of the Board against the company.

Mr. SPARKMAN. The recommendation which the Small Business Committee made, and which we ought to keep before us at all times, was based upon its feeling that the Civil Aeronautics Board had not fully utilized existing facilities for meeting the ever-increasing demand of the public for air transportation. It seems to me that has been its greatest weakness, as has been pointed out, from the time of the adoption of the Civil Aeronautics Act until this day. There exist the same main lines, but no increased competition between the major points of air transportation.

As I understand, there are noncertificated carriers which have begged for an opportunity to carry the mail without being subsidized, and have begged for an opportunity to work out some kind of a feasible plan to take care of the increasing demand for air transportation. Yet the Board has never worked out a program which would utilize the exist-

ing facilities, but, instead one by one has forced them out of existence. I take it that it is prepared now to force out of business the North American Airlines which is one of the few remaining rather large irregular carriers just as it has done with regard to many other airlines most of which were much smaller than the North American Airlines.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The question is on agreeing to the committee amendment on page 7, in line 16.

Mr. DOUGLAS. Mr. President, on this question, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Barkley	Holland	Mundt
Barrett	Hruska	Neely
Bible	Humphrey	Neuberger
Bush	Ives	O'Mahoney
Butler	Jenner	Pastore
Carlson	Johnson, Tex.	Robertson
Case, S. Dak.	Johnston, S. C.	Russell
Chavez	Kerr	Saltonstall
Douglas	Knowland	Smith, Maine
Dworshak	Kuchel	Smith, N. J.
Ellender	Lehman	Sparkman
Frear	Long	Symington
Gore	Martin, Iowa	Thurmond
Hayden	Martin, Pa.	Wiley
Hennings	McNamara	Williams
Hill	Millikin	

The PRESIDING OFFICER. A quorum is not present.

Mr. JOHNSON of Texas. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. BENDER, Mr. BENNETT, Mr. BRICKER, Mr. BRIDGES, Mr. BYRD, Mr. CASE of New Jersey, Mr. DANIEL, Mr. DUFF, Mr. ERVIN, Mr. FULBRIGHT, Mr. GREEN, Mr. JACKSON, Mr. KILGORE, Mr. LANGER, Mr. MAGNUSON, Mr. MALONE, Mr. MANSFIELD, Mr. McCARTHY, Mr. McCLELLAN, Mr. MONRONEY, Mr. PAYNE, Mr. PURTELL, Mr. SCHOEPPPEL, Mr. SMATHERS, Mr. STENNIS, Mr. THYE, Mr. WATKINS, Mr. WELKER, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the committee amendment on page 7, line 16.

Mr. KNOWLAND. Mr. President, I rise in support of the committee amendment and the position taken by the distinguished chairman of the subcommittee, the able Senator from Florida [Mr. HOLLAND] who is in charge of the bill on the floor of the Senate. I believe that the committee has gone fully into the subject. For the very cogent reasons which have been expressed by the chairman of the subcommittee, I hope the Senate will support the position of the Senator from Florida.

Mr. HOLLAND. Mr. President, there are a few things which I wish to say while a goodly number of Senators are present. I hope Senators who are present will remain to hear me out.

One of the things which we have heard said in the argument recently concluded by the distinguished Senator from Wyoming [Mr. O'MAHONEY] was that if we reduce the appropriation, in some way we shall be helping the small airlines. There could not be a more unsound conclusion reached if the Senator tried all day long to reach it.

I ask Senators to refer to page 286 of the printed record of the hearings. That will show why my statement is true. Senators will find listed there the trunk lines in the first listing, and the local service carriers in the second listing. If Senators will look in the second column from the end they will find that all the trunk lines combined are estimated to receive, in 1956, only \$4,648,000 in subsidies, whereas the small lines are estimated to receive \$25,135,000 of subsidy; helicopter lines, \$2,928,000 of subsidy; States-Alaska operations, \$3,549,000; and intra-Alaskan operations, \$4,523,000 of subsidy. More will be received by lines which operate in Alaska than by all the trunk lines operating in the United States; and so on down the list.

If Senators will look at the two columns immediately before the ones which I have mentioned, they will see the reasons for the situation which I have described. The large trunk carriers are carrying nearly all the mail, because they are operating between towns and cities where the mail movements are heavy. Senators will find that the trunk carriers are carrying 82 million ton-miles plus of mail, whereas the local service carriers are carrying only a little more than 1 million plus ton-miles.

Furthermore, if Senators will look at the list carefully they will find that all but four of the trunk carriers are drawing no subsidies whatever.

How are we possibly going to hurt them by reducing the amount of the subsidy? The fact is inescapable that those who will be hurt are the small lines, the very ones which are being praised with such enthusiasm by those who are opposing the committee amendment.

If Senators will take the trouble to add up the totals, they will find that of the 82 million ton-miles of mail carried by the big domestic carriers, only 2,700,000 ton-miles are carried by the four trunk lines which receive a subsidy. With respect to all the rest, nearly 80 million ton-miles are carried by the nine large carriers which do not receive any subsidy. The ones which do receive a subsidy, the ones which would be hurt if we reduced the amount so that they would be forced to live on a day-to-day or month-to-month basis of existence, would be the small lines, which must borrow money and pay interest, and which are neither carrying heavy amounts of mail nor earning anything of consequence except by way of subsidy. This conclusion is completely inescapable; no Senator can deny it for a moment, because the facts are before us. The ones which would be hurt are the ones operating on a subsidy. The largest amount is for the list shown of local service carriers.

Before I leave this point, let me repeat that by reducing the appropriation from

\$55 million to \$40 million we would not take one penny away from the nine large carriers who do not have subsidies, because they would not draw anything, whether the appropriation were \$55 million, \$40 million, or nothing. The conclusion is inescapable that when we reduce appreciably the amount of subsidy which must be paid if the operation is to be kept current in the approaching year, we are striking at the small airlines.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. O'MAHONEY. Will the Senator from Florida tell us what facts were developed with respect to the audit, of which the House report speaks? Have these accounts been audited?

Mr. HOLLAND. The Senator from Florida would say that the House report, in the opinion of the Senate committee, is not wise on this point. In the unanimous opinion of the Senate committee, its recommendation is not in accordance with the judgment of those in the subcommittee, who studied the subject very carefully; not in accordance with the judgment of GAO; not in accordance with the judgment of CAB, and not in accordance with the judgment of anyone we could find who has made a study of it.

The reason is apparent. If the Senator wishes to go back to the actual figures of last year's payments, all he need do is to move a few columns over in the table from which I have read, and he will find substantially the same facts there.

It is a fact that 9 of the great domestic trunk carriers do not draw subsidies and do not care one whit whether we appropriate \$55 million or \$10 million. The carriers which are looking for prompt payment of their subsidies are those which are serving small communities and which have been created for that purpose. They will be the ones who will be hurt if they must continue to borrow money when Uncle Sam declines to pay them what he owes them.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield.

Mr. O'MAHONEY. I have heard the statement of the Senator from Florida and his argument, and I am always impressed with what he has to say. But he has still failed to answer my question. My question was asked for the purpose of eliciting information with respect to the manner in which the audits are taking place, the time in which they have been taking place, to what extent they are current, and what recommendation the House committee makes with respect to these items.

Mr. HOLLAND. I may say to the Senator from Wyoming that the Senate committee has taken care of that situation better than has the House committee. We recognize the fact that the audits are delayed. The Chairman of the CAB came before us and he told us they were behind. He asked us to restore the amount—for the employment of the auditors and others who check the accounts—which the House had cut from the appropriation. We did restore those amounts, because we felt CAB was

within its rights in asking for an adequate staff inasmuch as we have asked it for adequate performance. It seemed to the Senate committee that both the House and the House committee, although, of course, they made a careful review, were guilty of poor judgment, first in cutting the funds for the auditors and, second, in cutting the budgeted amount which is necessary to carry on the payments.

Mr. O'MAHONEY. May I ask the Senator another question?

Mr. HOLLAND. In a moment. We believe the result which will be accomplished by increasing this appropriation will be further to strengthen some of the smaller airlines, which will be more affected by a cut than others. Certainly the large domestic lines will not be affected, because they do not draw any subsidy. The Senator knows that to be correct, does he not?

Mr. O'MAHONEY. I know it is the small lines that need the subsidy. However, I have yet failed to see an audit which has established whether or not the large lines are actually free of subsidy. The point which the House made, as I understand, was that the appropriation should be held down while the audits were being made current. Is there any reason why that policy should not be followed? The Senator has acknowledged that the audits are not up to date.

Mr. HOLLAND. The Senator from Florida has also pointed out that the House by its action would have put the audits further behind by cutting the number of auditors provided for in the budget estimate.

Mr. O'MAHONEY. Will the Senator from Florida advise the Senate to what extent the General Accounting Office has ever undertaken an audit of these payments?

Mr. HOLLAND. The General Accounting Office is in the course of a general audit now, and has made a very extensive interim report to our committee. It is a confidential report, unfortunately. That does not mean that Senators may not see it. I hold the report in my hand. I would not want the Senator from Wyoming to think that our committee had not gone to the accounting agency of Congress and asked for every bit of help it could give us and that it did not give us all the help it could. Unfortunately, it is a confidential audit, because it is not yet complete. However, I am glad to pass it to the Senator from Wyoming.

Mr. O'MAHONEY. I have no desire to examine a confidential audit. I am merely suggesting to the Senate that it might well be in the public interest to withhold the increased appropriation until an audit by the General Accounting Office has been completed. That is my whole argument. The subsidy payments have not been audited. They have not been audited by the GAO. The Senator testified to that fact himself. Therefore I say let us await the audit before continuing to appropriate these huge sums.

Mr. HOLLAND. The Senator should not put words in my mouth.

Mr. O'MAHONEY. I would not consciously do that.

Mr. HOLLAND. The GAO is auditing—

Mr. O'MAHONEY. The Senator stated it was a confidential and incomplete report.

Mr. HOLLAND. It is not a complete report. However, we do know that a good job is being done and that there is no disparity between the GAO approach and that of the CAB auditors. So far as the Senate committee is concerned, we believe that the mode of approach which is suggested by the Senator from Illinois, and which has been concurred in by the Senator from Wyoming, will accomplish exactly the wrong kind of result, because it will strike, not at the large carriers, which Senators feel have been treated too kindly, but at the small carriers, who need kind treatment, and for whose benefit the act was passed.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. CASE of South Dakota. I note in the hearings that the statement submitted by the CAB sets forth that if sufficient funds are not appropriated, the agency will have no alternative other than to request a supplemental appropriation, and that their original budget estimate was \$63 million. The committee is proposing \$55 million, which is \$8 million less than the original estimate. Is that correct?

Mr. HOLLAND. The Senator is correct. The situation is a little worse than that, I may say, because at the time the budget was prepared, the agency felt reasonably sure it would have to request that a supplemental appropriation be granted.

That is because, in addition to the \$63 million budgeted amount, there is a carryover from last year, unpaid and owing for a good while, of \$6,300,000.

The committee, quite mindful of the fact that there were apt to be changes as the year went forward, addressed the question very earnestly to those it thought could best answer it. The witnesses for the Civil Aeronautics Board conferred together and finally came up with the figure of \$55 million, which would still leave the agency, even under favorable circumstances, in the position of having to come back to Congress for a supplemental appropriation. They did feel this amount would be nearer to the irreducible minimum than any other figure the agency could suggest.

It was that irreducible minimum which the subcommittee unanimously reported to the full committee and which the full committee has unanimously reported to the Senate.

Mr. CASE of South Dakota. Having in mind that a supplemental request would be made in connection with this item, is the converse true, namely, that if the \$55 million should prove to be more than is needed, after the General Accounting Office has made its audit, the money would not be spent, but would remain in the Treasury of the United States?

Mr. HOLLAND. Of course, that is true. I am glad the Senator has asked that question. If there should be an overappropriation, there would be a

carryover of funds in the Treasury. However, the intention and conviction of the committee is that it has reported an irreducible minimum in the \$55 million. In the committee report the Senator will find a statement to the effect that there will be a request for a supplemental appropriation.

Mr. CASE of South Dakota. Since the Senator has given assurances that the money will not be spent if it is not needed on the basis of the GAO audit, and since the committee has put in this protective measure approximately \$15 million less than he assumes might be needed, it seems to me there is no reason for any Senator not to support the recommendation of the committee.

Mr. HOLLAND. I thank the Senator. What we are trying to do is to meet this payday obligation—to pay off a Federal obligation entered into under Federal law.

One more point, Mr. President, and I shall be through.

It seems to me that the distinguished Senator from Wyoming has fallen into the same error as that into which the Senator from Illinois has fallen. The Senator from Wyoming makes his principal point on the alleged treatment of the North American Airlines, and inveighs at great length because he does not think it has had a fair deal from the Civil Aeronautics Board. That may be true, but the answer to it, if that be the case, is in a change in the law or in a change of the personnel in CAB or a change in the administration of the law, and not in a withholding of money from airlines which have earned it under solemn arrangements with the United States Government—withholding payments which should be made as near the time when they are due as it is possible to make them.

If there be a feeling that there should not be subsidies; if there be a feeling that the law is inadequate or improper and should be amended; if there be a feeling that the CAB personnel is not sound—and I do not share that feeling—if there be a feeling that the General Accounting Office is not properly staffed; if there be a feeling that the Internal Revenue Bureau is not properly staffed—and I recall that the Senator from Illinois spoke of the fact that suits had not been brought to recapture certain money, although authority to institute such suits does not lie in the CAB itself, but is solely in the hands of the tax-enforcing officials, if any or all of those things are true, the remedy is not in strangling contractors with the United States who have established their businesses and are operating them on the faith of the present law and in the belief that Uncle Sam will be honest and fair and will pay the obligations due them.

Mr. President, we think the committee amendment should by all means be adopted, and we hope the Senate will agree to the amendment.

Mr. DOUGLAS. Mr. President, I had not intended to speak again on this subject, because it has been quite thoroughly debated this morning and on Tuesday, but the statements of the Senator from Florida need to be brought into line with the actual facts as they exist.

The Senator from Florida says that if we cut these appropriations, the first group to suffer will be the feeder lines which run north and south in general connecting with the transcontinental lines east and west. The record shows that the \$40 million, if appropriated, would be sufficient to pay the entire \$25 million to those feeder lines, sufficient to pay the requested \$4.6 million to the domestic trunklines, sufficient to pay \$3 million to the helicopter services, \$2.2 million to the States-Alaska carriers, excluding Pan American, and sufficient to pay \$4½ million to the intra-Alaska lines, and the requested \$0.7 million for the Hawaiian lines. The requested claims for all the above groups total \$40 million.

What we are trying to do is to reduce the subsidies to the international airlines, particularly the Pan American Airlines.

On May 18, 1955, the Comptroller General laid down the order of priority of subsidy payments. He addressed a letter to the Chairman of the Civil Aeronautics Board and I ask unanimous consent that the entire letter be made a part of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, May 18, 1955.

Hon. ROSS RIZLEY,
Chairman, Civil Aeronautics Board.

DEAR MR. RIZLEY: Reference is made to letter dated May 3, 1955, with enclosures, from the Acting Chairman, Civil Aeronautics Board, requesting a decision respecting possible limitations upon the use of the sum of \$8.9 million, provided in the Second Supplemental Appropriation Act, 1955, for payments to air carriers by the Civil Aeronautics Board.

The letter of the Acting Chairman states that the Board is confronted with two problems: first, the supplemental appropriation of \$8.9 million, together with cash on hand April 21, 1955, of \$1,657,192, is not expected to be sufficient to cover claims from all carriers that would normally be processed for payment between April 22 and July 1, 1955; and, second, what use the Board may make of the supplemental appropriation in view of an apparent intent to limit such use.

The appropriation in question, appearing in Public Law 24, 84th Congress, 1st session, approved April 22, 1955, reads as follows:

"For an additional amount for 'Payments to air carriers,' \$8.9 million, to remain available until expended."

Standing alone, the above provision contains no patent ambiguity and, hence, ordinarily would present no problem of construction. In the absence of any express language limiting its use, it would be reasonable to hold that, from a strictly legal standpoint, the amount appropriated would be available for the payment of claims from all carriers that would normally be processed for payment. However, in the light of the legislative history of the bill, which reflects numerous expressions of intent seemingly at variance with one another, it becomes necessary to further analyze the matter for the purpose of ascertaining as nearly as possible the exact intent of the Congress during consideration and passage of the bill. As a basis for such action, attention is invited to the case of the *Boston Sand Co. v. United States*, (278 U. S. 41), wherein the Supreme Court of the United States stated, in pertinent part, as follows: " * * * It is said that when the

meaning of language is plain we are not to resort to evidence in order to raise doubts. This is rather an axiom of experience than a rule of law, and does not preclude consideration of persuasive evidence if it exists."

Also, in *Helvering v. New York Trust Company* (292 U. S. 455), the Court again pointed out:

"The rule that where the statute contains no ambiguity, it must be taken literally and given effect according to its language is a sound one not to be put aside to avoid hardships that may sometimes result from giving effect to the legislative purpose. * * * But the expounding of a statutory provision strictly according to the letter without regard to other parts of the act and legislative history would often defeat the object intended to be accomplished. * * *"

The record indicates that the House Committee on Appropriations approved the sum of \$5 million, which was a decrease of \$10,200,000 in the budget estimate submitted by the Board for subsidy payments to air carriers during the fiscal year 1955. This action was taken apparently for the reason that the committee was of the opinion that certain reductions in subsidy could be effected following application of the principles enunciated by the Supreme Court in the case of *Civil Aeronautics Board v. Arthur E. Summerfield, Postmaster General, et al.* (347 U. S. 47), which held that the Civil Aeronautics Board in fixing subsidy must measure the need of a particular carrier by the entirety of its operations and not by the losses of one division or department. Respecting the matter, the committee, in its report No. 207, explained as follows:

"The committee is of the opinion that the Supreme Court decision, if properly adhered to, will result in a substantial reduction in the amount of subsidy, and that the amount allowed by the committee will be sufficient to make payments during the remainder of the fiscal year to domestic lines and international carriers who are not affected by the Supreme Court offset decision."

Subsequently, the Senate Committee on Appropriations recommended restoration of the sum of \$15,200,000 as originally requested by the Board, and explained that such amount would make available in the fiscal year 1955 the estimated funds required to pay the obligations of the Government in settlement of sums due to subsidized aircraft operators carrying airmail. The recommendation was accepted by the Senate, and thereafter the bill was referred to a committee of conference which again reduced the amount to \$8,900,000. However, contained in the conference report, House Report No. 426, was the following statement of the managers on the part of the House:

"Amendment No. 5: Appropriates \$8,900,000 for payments to air carriers, Civil Aeronautics Board, instead of \$5 million as proposed by the House and \$15,200,000 as proposed by the Senate. The funds appropriated under this head are to be used to pay subsidy claims due for local service carriers."

Because of the uncertainty created by the varying views expressed above, you addressed a communication to the chairmen of both the House and Senate Committees on Appropriations in an attempt to clarify precisely what limitation, if any, was intended to be placed upon the supplemental appropriation. In response thereto, you were informed by both chairmen in effect, that they were agreeable to your proceeding to make payments to local service carriers, domestic trunk lines, helicopters, States-Alaska operations, intra-Alaskan operations, and Hawaiian operations, with the further comment that should sufficient funds remain after claims of the above groups have been met, there would be no objection to such balances being used to pay other carriers.

A review of the legislative history leaves little doubt that, notwithstanding the gen-

eral terms of the appropriation statute as enacted, it was clearly intended by the Congress that the sum appropriated was not to be used in payments of subsidy to those carriers affected by the Supreme Court offset decision. Aside from that, however, with respect to the limitation of payments to local service carriers, set forth in the House managers' report, it would appear that such phrase, in fact, was intended to include not only the so-called feeder lines, but also the trunk lines within the United States not so affected by the decision. This view is clearly substantiated not only by the letters from the respective committee chairmen, but also by the following discussions on the floors of both Houses of Congress. For example, on March 18, 1955, in the House of Representatives (CONGRESSIONAL RECORD, p. 2626), Mr. HARRIS asked the following question:

"It is my understanding that the subsidy payment that is required would be affected but little by the decision referred to of the Supreme Court of the United States, because that affects the international carriers. It is my understanding that the greater portion of this subsidy is for the local carriers, and I believe three trunkline carriers. Is that true?"

To which Mr. Preston, chairman of the subcommittee, replied:

"The gentleman is correct. We stated in the report that the money appropriated, we thought, would be adequate to take care of the domestic carriers and the feeder lines. It was not the committee's purpose, as stated in the report, to spend any of this money for the international carriers, but preferably for the domestic and feeder lines."

Also, on April 20, 1955 (CONGRESSIONAL RECORD, p. 4079), in discussing the matter on the floor of the Senate, the following question was asked by Senator MONROE:

"In granting money to be paid for earned subsidies, may I ask if all the money is to be paid to domestic air carriers now operating within the United States?"

Mr. HAYDEN. "That is correct. I should explain that the Senate estimated that it would cost \$15,200,000 to pay all the carriers, both the carriers operating within the United States and those operating internationally. The House appropriated only \$5 million. The best figure we could arrive at, which would take care of the carriers in the United States only, was \$11,200,000. We were able to raise the House figure to \$8,900,000. In other words, we increased the House figure by \$3,900,000. The House committee in its report states:

"The funds appropriated under this head are to be used to pay subsidy claims due for local-service carriers."

Mr. MONROE. "These are the carriers within the United States, not strictly the feeder lines we have been talking about in connection with the bill the Senate passed a few minutes ago. In other words, these are trunklines as well as feeder lines within the United States. Is that correct?"

Mr. HAYDEN. "That is correct. The reason for that is stated in the House committee report on the bill."

The information thus disclosed appears clearly to define the congressional intent with respect to the statute and, as such, requires no further comment. Accordingly it is our view that should the Board adhere to the guidelines established above, especially by giving priority to those carriers mentioned by the respective committee chairmen, such action would be in accord with the intent of the Congress and, therefore, would not be objected to by this Office.

Sincerely yours,
JOSEPH CAMPBELL,
Comptroller General
of the United States.

Mr. DOUGLAS. Mr. President, I am going to read a salient paragraph from that letter:

You were informed by both chairmen, in effect, that they were agreeable to your proceeding to make payment to local service carriers, domestic trunklines, helicopters, States-Alaska Operations, Intra-Alaskan Operations, and Hawaiian Operations, with the further comment that should sufficient funds remain after claims of the above groups have been met, there would be no objection to such balances being used to pay other carriers.

That lays down the order of priority. The lower groups on the totem pole are the transoceanic carriers. Under the House figure of \$40 million, without any necessity to raise it to \$55 million, the local service carriers will be paid in full; the domestic trunklines will be paid; helicopters will be paid; States-Alaska Operations will be paid; Intra-Alaskan Operations will be paid; and Hawaiian Operations will be paid. All these groups can be paid their full requested amounts under the \$40 million figure set by the House. There is, therefore, no need to increase the appropriation from \$40 million to \$55 million in order to take care of the local service feeder lines or any of the other groups mentioned. Under the House figure of \$40 million the one group which would have its subsidy reduced would be the transoceanic group.

When we deal with transoceanic lines we must realize that the northwest line to Alaska and the Orient has no subsidy at all, and TWA has no subsidy. So it boils down to whether Pan American Air Lines should get the money or whether it should be withheld pending audit.

Mr. President, in preceding days I tried to deal with some of the items of expenditure of Pan American Air Lines which I questioned. In the first place, I pointed out that Pan American owes the Government \$6.8 million. They have lost \$2½ million on their hotel investments in Latin America, which pulled down their financial position. One hundred percent of their taxes are paid by the Government, although in the case of other great carriers only about 4 percent of their taxes are paid.

Mr. President, I think the Senator from Florida earlier said that this was pay-up day and pay-off day. I do not want to pay off Pan American with money which is not due. I think we should not compel the taxpayers to pay up for something which they do not really owe.

Mr. NEUBERGER. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. NEUBERGER. I should like to have the date of the letter of the Comptroller General to which the Senator referred.

Mr. DOUGLAS. May 18, 1955. It is a letter addressed to Ross Rizley, Chair of the Civil Aeronautics Board.

Mr. NEUBERGER. I did not quite follow everything the Senator read. It makes clear that such small lines as Frontier and West Coast and Pacific Northern would be ahead in priority in the payment of subsidies over transoceanic lines. Is that correct?

Mr. HOLLAND. Mr. President, is it not true that the letter to which the Senator has referred is based solely upon

payments of a limited amount covered by the second supplemental bill last spring and on the wording of the conference report on that bill?

Mr. DOUGLAS. It depends on what limitation, if any, was intended to be placed on the supplemental appropriations. The principle of priority can be made to hold for all appropriations, if it does not do so already.

Mr. HOLLAND. I am sure the Senator cannot desire that statement to stand. He will find the letter relates wholly to a very small appropriation under the second supplemental bill, and solely to the opinion of the General Accounting Office as to what should be done because of the directions given in the conference report upon that measure. Is not that correct?

Mr. DOUGLAS. No; I do not think it is correct. However, if there is any doubt about the intent, it could be extended now.

Mr. HOLLAND. I do not wish any question to arise of the correctness of that statement. I now hand to the distinguished Senator from Illinois the conference report of the managers on the part of the House. I invite his attention to the provision relative to the payment, and I ask him to revert to the letter to see if that is not the basis for the letter.

Mr. DOUGLAS. It is somewhat difficult to determine that point.

Mr. HOLLAND. Does the Senator from Illinois see any objection to placing the letter in the RECORD?

Mr. DOUGLAS. Certainly not. In fact, I have already placed it in the RECORD at an earlier point.

Mr. HOLLAND. Mr. President, I know the letter relates solely to the supplemental appropriation and the interpretation of the direction by Congress in the conference report.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hennings	Monroney
Barkley	Hill	Mundt
Barrett	Holland	Neely
Bender	Hruska	Neuberger
Bennett	Humphrey	O'Mahoney
Bible	Ives	Pastore
Bricker	Jackson	Payne
Bridges	Jenner	Purtell
Bush	Johnson, Tex.	Robertson
Butler	Johnston, S. C.	Russell
Byrd	Kerr	Saltonstall
Carlson	Kilgore	Schoeppel
Case, N. J.	Knowland	Smathers
Case, S. Dak.	Kuchel	Smith, Maine
Chavez	Langer	Smith, N. J.
Daniel	Lehman	Sparkman
Douglas	Long	Stennis
Duff	Magnuson	Symington
Dworschak	Malone	Thurmond
Ellender	Mansfield	Thye
Ervin	Martin, Iowa	Watkins
Feare	Martin, Pa.	Welker
Fulbright	McCarthy	Wiley
Gore	McClellan	Williams
Green	McNamara	Young
Hayden	Millikin	

The PRESIDING OFFICER. A quorum is present.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. As I understand, the issue before the Senate on which the yeas and nays have been ordered is the committee amendment on page 7, line 16. Is my understanding correct that a vote of "yea" is a vote to support the committee amendment; a vote of "nay" is a vote to reject the committee amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. Do I understand correctly that a vote of "yea" is a vote for the \$55 million provided in the committee amendment and a vote of "nay" is a vote for the \$40 million provided by the House?

The PRESIDING OFFICER. In terms of figures, the Senator from Illinois is correct.

The yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the senior Senator from Oregon [Mr. MORSE]. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], and the Senator from North Carolina [Mr. SCOTT] are absent on official business.

The Senator from Kentucky [Mr. CLEMENTS] is absent by leave of the Senate until June 21, 1955, on behalf of the Senate Appropriations Committee, to conduct an on-the-spot study of specific matters relating to our foreign-aid program.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate to attend the International Labor Organization meeting in Geneva, Switzerland.

The Senator from Georgia [Mr. GEORGE] is unavoidably absent.

On this vote the senior Senator from Kentucky [Mr. CLEMENTS] has a general pair with the junior Senator from Illinois [Mr. DIRKSEN].

The senior Senator from Montana [Mr. MURRAY] has a general pair with the senior Senator from Michigan [Mr. POTTER].

The Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Maryland [Mr. BEALL]. If present and voting, the Senator from Massachusetts would vote "nay," and the Senator from Maryland would vote "yea."

I also announce that, if present and voting, the Senator from Montana [Mr. MURRAY] and the Senator from North

Carolina [Mr. Scott] would each vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from New Hampshire [Mr. COTTON], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Iowa [Mr. HICKENLOOPER] are absent on official business.

The Senator from Maryland [Mr. BEALL] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate to attend the funeral of close personal friends.

The Senator from Nebraska [Mr. CURTIS] is necessarily absent on public business.

The Senator from Illinois [Mr. DIRKSEN] is absent on official business for the Committee on Appropriations.

The Senator from Michigan [Mr. POTTER] is absent by leave of the Senate to attend the International Labor Organization meeting in Geneva, Switzerland.

The Senator from Illinois [Mr. DIRKSEN] has a general pair with the Senator from Kentucky [Mr. CLEMENTS].

The Senator from Michigan [Mr. POTTER] has a general pair with the Senator from Montana [Mr. MURRAY].

On this vote, the Senator from Maryland [Mr. BEALL] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Maryland would vote "yea" and the Senator from Massachusetts would vote "nay."

On this vote, the Senator from Nebraska [Mr. CURTIS] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Nebraska would vote "yea" and the Senator from Vermont would vote "nay."

The result was announced—yeas 51, nays 24, as follows:

YEAS—51

Barkley	Green	Mundt
Barrett	Hayden	Neely
Bender	Holland	Pastore
Bennett	Hruska	Payne
Bible	Johnson, Tex.	Purtell
Bricker	Johnston, S. C.	Robertson
Bridges	Kerr	Russell
Bush	Knowland	Saltonstall
Butler	Kuchel	Schoeppel
Carlson	Langer	Smathers
Case, N. J.	Malone	Smith, Maine
Case, S. Dak.	Martin, Iowa	Smith, N. J.
Chavez	Martin, Pa.	Stennis
Daniel	McCarthy	Thye
Duff	McClellan	Watkins
Dworshak	Millikin	Wiley
Ellender	Monroney	Young

NAYS—24

Aiken	Humphrey	McNamara
Byrd	Ives	Neuberger
Douglas	Jackson	O'Mahoney
Ervin	Jenner	Sparkman
Frear	Kilgore	Symington
Gore	Lehman	Thurmond
Hennings	Long	Welker
Hill	Magnuson	Williams

NOT VOTING—21

Allott	Dirksen	Kefauver
Anderson	Eastland	Kennedy
Beall	Flanders	Mansfield
Capchart	Fulbright	Morse
Clements	George	Murray
Cotton	Goldwater	Potter
Curtis	Hickenlooper	Scott

So the committee amendment on page 7, line 16, was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment which was passed over.

The next amendment passed over was, under the subhead "Business and Defense Services Administration," on page 8, line 24, to strike out "\$6,198,000" and insert "\$6,900,000."

Mr. MUNDT. Mr. President, I have an amendment to the committee amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment to the amendment.

Mr. HOLLAND. Mr. President, may we have the page and line, please?

The PRESIDING OFFICER. The amendment is on page 8, line 24.

The LEGISLATIVE CLERK. In the committee amendment on page 8, line 24, it is proposed to strike out "\$6,900,000" and in lieu thereof to insert "\$7,000,000 including not less than \$370,000 to be available only to the Area Development Division."

Mr. MUNDT. Mr. President, if I may have the attention of my colleagues, I believe I can reduce what might have been a speech lasting one hour or one hour and a half, to perhaps 10 or 15 minutes, or even less, because I believe that the amendment I am submitting to the committee amendment will appeal to every Member of the Senate. I may state that I had hoped to discuss at considerable length my amendment to this committee amendment, but the hour has grown late and I shall be brief.

My proposal is that we bring up to the level of the request of the Bureau of the Budget, and up to the level of the request of the President, and up to the level of the amount proposed by the Joint Economic Committee, headed by the Senator from Illinois [Mr. DOUGLAS], the amount of the appropriation for the Area Development Division of the Business and Defense Services Administration, Department of Commerce. Only that, and no more.

Let me say that the Area Development Division is proof of the fact that something new can happen in America, for it is a new agency of the Department of Commerce, and has the responsibility of doing something which every Member of the Senate has been advocating at least since World War II and, in the case of some Members, since World War I, namely, that in connection with the fabrication of the vast numbers of defense products and the activities in which the Federal Government is interested, there should be reasonable dispersal from the great metropolitan areas of the country to the smaller communities of States which house the large cities, and also to include the States which do not happen to have within their borders great metropolitan areas.

I can think of no valid objection to my amendment to the committee amendment, except on the part of those who might be interested only in large industries or large communities, as opposed to small industries or small cities or rural States, because my amendment to the committee amendment provides for increasing the appropriation for this

new office to a total of only \$250,000 a year, which will enable small-business men or the representatives of rural States to come to Washington and obtain one-stop service, in receiving answers to their questions. The area development division is a clearinghouse on all data for all people interested in getting facts to use in developing new industrial opportunities in their areas or communities.

Mr. BRIDGES. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I am glad to yield to the distinguished Senator from New Hampshire.

Mr. BRIDGES. As the Senator from South Dakota well knows, there is opposition to his amendment to the committee amendment.

The Appropriations Committee tries to appraise and evaluate the services of the various agencies and divisions for which appropriations are requested. I admit that the Senator from South Dakota, in his very eloquent and able manner, presented a very logical explanation for this item.

Mr. MUNDT. I thank the Senator from New Hampshire.

Mr. BRIDGES. However—

Mr. MUNDT. Mr. President, I was hoping the Senator from New Hampshire would stop there. However, let him proceed. [Laughter.]

Mr. BRIDGES. However, the Senator from South Dakota well knows that when the Federal Government participates in the matter of relocating businesses, unless new businesses are created, they are bound to be taken from older areas and put into new ones.

So far as we in New England are concerned, we are sick and tired of having other areas raid our industries and relocate them in other sections of the country.

But, Mr. President, bearing in mind the strong testimony submitted by the very able Senator from South Dakota, the committee voted in favor of an appropriation of \$150,000, instead of \$250,000, in this case. The committee felt that would curtail somewhat the activities of this agency, so that it would not be able to solicit the transfer of such industries, as it has in the past.

Mr. MUNDT. Mr. President, I appreciate the validity of the statement of the Senator from New Hampshire, as against any effort by a Government agency or bureau in the direction of moving an industry from New England to any other area of the country.

However, I should like to point out that not far from his region of New England—at least, from a geographical point of view, to those of us who live in South Dakota, Connecticut would certainly seem to be included in New England—is the State of Connecticut; and I should like to refer to the testimony of a member of a Connecticut commission, who has urged the inclusion in this bill of the full amount for this item and even more than under the amendment proposed by me to the committee amendment. I refer to the testimony submitted on behalf of that commission, for it was stated that

some of the Connecticut industries—especially in the case of the textile industry—have been drifting to the South. The testimony was that this new agency or division is providing very definite help in regard to the establishment in New England of new industries, to replace some which have been drifting into other areas.

Mr. PURTELL. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I yield.

Mr. PURTELL. I wish to ask the Senator from South Dakota to change the word "drift" to the word "yank," for such industries have not actually been drifting into other areas. In at least some instances the change has been effected directly with Federal funds.

If the Senator from South Dakota desires to have the appropriation for this item increased to the amount of the budget estimate, it must be that his amendment is offered in sheer desperation, because of a desire to retain a few industries in his section of the country.

Mr. MUNDT. Mr. President, let me say that in using the word "drift," I had in mind that it would be better to use that word, rather than to use the word "yank," because in referring to the South, I like to refrain from using the word "Yank." [Laughter.]

Mr. HOLLAND. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I yield.

Mr. HOLLAND. I am delighted to know that a Senator from the South—in this case, a Senator from South Dakota—and a Senator from New England are in such complete accord, because they were not in complete accord at the committee meeting the other day.

The subcommittee recommended the full amount of \$250,000, as included in the budget; but the full committee, after hearing some very strong arguments from Senators on the other side of the aisle, all of whom were most persuasive and most impressive, decided to abandon the subcommittee temporarily, and to vote in favor of the reduced amount.

So I am glad to see this vindication of the sound judgment of the subcommittee; and I gladly accept the amendment to the committee amendment.

Mr. MUNDT. I thank the Senator very much.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from South Dakota to the committee amendment on page 8, in line 24, will be agreed to.

Mr. BRIDGES. Just a moment, Mr. President; let us find out what this amendment to the committee amendment will do.

Mr. MUNDT. My amendment to the committee amendment will simply restore the amount of the budget allotment, namely, \$250,000, so that amount will be available for this new agency of the Government, which devotes all its time to helping smaller communities and smaller States, and so that in the Government there will be one place where such communities and States can ob-

tain the information required in order to help establish new industries. In no sense does my amendment to the committee amendment move in the direction of moving industries from one section of the country to another.

Mr. BRIDGES. I wish I could be sure of that, but I am not. When the Federal Government begins to move in the direction of the relocation of industries, I am suspicious, because we in New England have already suffered too much from movements of that kind.

Mr. MUNDT. Mr. President, I have checked into that matter, since the Senator from New Hampshire has raised the objection; and I have the definite word of the Area Development Commission that they have neither the desire nor the authority to relocate industries. They simply provide an advisory service for all communities.

Mr. BRIDGES. Naturally, they may not require the relocation of industries; but they can do a good deal in an informal way.

Mr. MUNDT. Let me say that we have the benefit of the testimony of representatives of Easthampton, Mass., where the West Boylston Manufacturing Co. closed its plant in 1931. This matter is set forth on page 522 of the hearings. In order to locate other industries in Easthampton, the representatives of that community worked with the Area Development Division, and helped establish some small manufacturing plants—12 in number—in order to provide employment once more for the people who live in Easthampton.

So this agency helps the areas which the Senator from New Hampshire in part so ably represents, and which on occasion find an industry moving to another section of the country.

Mrs. SMITH of Maine. Mr. President, will the Senator from South Dakota yield to me?

Mr. MUNDT. I am glad to yield to the distinguished Senator from Maine.

Mrs. SMITH of Maine. Will the Senator from South Dakota inform the Senate the names of the members of the Area Development Commission, and the States from which they come?

Mr. MUNDT. I shall be glad to ascertain that information and to place it in the RECORD if the Senator desires.

But I may say that the chairman of the Commission is a very distinguished manufacturer from New England, who has come to Washington, and serves on the Commission at considerable expense to himself. I believe he lives in Massachusetts. Certainly he would not be in sympathy with attempts to move industries to other areas of the country if that would be detrimental to the beautiful New England area.

Mr. BRIDGES. Does not the Senator from South Dakota think that South Dakota will gain something from this amendment to the committee amendment, if it is adopted?

Mr. MUNDT. I hope South Dakota will be included among the various areas which will be helped. In fact, this Division has already been very cooperative with our people.

Mr. BRIDGES. Does the Senator from South Dakota think the same can be said of New Hampshire?

Mr. MUNDT. I think so. South Dakota and New Hampshire have so much in common that it would grieve me deeply to find that New Hampshire would not benefit. I believe New Hampshire will benefit. As a matter of fact, I think the results are likely to be as they usually are, and that New Hampshire will be closer to the top of the totem pole than will South Dakota.

Seriously, this is something which will benefit every State. Take a State like Illinois or New York, where there are metropolitan areas, and where there is a plethora of wonderful communities, small in size, and rural areas desirous of making available their services in the great dispersal program which is a part of our national-defense scheme. They cannot afford expert guidance. They cannot afford to send representatives to Washington to look around for information. The Area Development Division provides, in one office, a full set of facts. It provides counsel and guidance. It provides booklets and pamphlets. It provides the communities to which I have referred with the aids they need to defend themselves against the encroachments of gigantic business and the further embellishment of the great metropolitan fleshpots of America.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. BUSH. How long has this establishment been in operation?

Mr. MUNDT. This is its third year, but actually the second year of genuine service.

Mr. BUSH. What is the appropriation for the current fiscal year?

Mr. MUNDT. The current appropriation is \$120,000, I believe.

Mr. BUSH. And the Senator proposes to double it?

Mr. MUNDT. I propose to follow the recommendation of the President. I propose to follow the recommendation of the Bureau of the Budget. This will be its first year of full operation on a nationwide scale. The amount proposed is the amount the agency thinks it will need. It would provide for only a very small number of employees—less than 50—and would provide a minimum of expenditure to achieve a maximum of good, especially to States like Connecticut, which, as the Senator knows better than I do, have been suffering because technological changes and shifts in population have caused the removal from certain areas of a great many manufacturing plants which formerly provided employment for the people of Connecticut. The testimony is replete with illustrations of Connecticut areas where new developments, new industries, have worked with the Area Development Division in order to find a place where their services can be profitably employed.

Mr. BUSH. Does the Senator have in mind the page in the record of the hearings where reference is made to the Connecticut Development Corp.?

Mr. MUNDT. I do.

Mr. BUSH. To what page does the Senator refer?

Mr. MUNDT. I refer to page 520 of the printed hearings, where there will be found a letter from Sidney A. Edwards, the managing director of the Development Commission for the State of Connecticut, dated May 23, 1955, in which he urges emphatically that there be devoted to this project not the \$250,000 modestly recommended by the conservative Senator from South Dakota, but, with typical Connecticut enthusiasm, \$370,000.

Mr. BRIDGES. Mr. President, will the Senator further yield?

Mr. MUNDT. I yield.

Mr. BRIDGES. As the Senator knows, I did not favor, in committee, the entire elimination of this item. I might have had that in the back of my mind, but I was perfectly willing to allow the area development division to continue with a reasonable appropriation. The question is, What is a reasonable amount? Some persons ask for \$370,000. Others ask for \$250,000.

Mr. MUNDT. The taxpayers of Connecticut want \$370,000, but I thought probably the area development division could get along with \$250,000 and still keep the office serviceable for another year.

Mr. BRIDGES. I heard what the distinguished chairman of the subcommittee, the Senator from Florida [Mr. HOLLAND] had to say. I think he was very fair in his statement. However, I do not feel as does the Senator from Florida. Having heard all the testimony and evidence, it seems to me that if we were to allow the entire budget request, we would be approving everything the area development division might do.

Mr. MUNDT. No; because the legislative history will clearly indicate that the powerful Senator from New Hampshire, with his great influence in our committee, will certainly crack the whip on the Area Development Division if it makes a single move toward taking an essential worker out of New Hampshire or New England and transferring him to some other area.

Mr. BRIDGES. Where are they to get the industries if they do not get them from New England?

Mr. MUNDT. I am happy to answer that question. In the field of chemistry, the field of plastics, and in the development of technocracy, a great number of new industries are developing all the time. The question is, Where can they best be located, especially if they have some impact upon the national defense, so that they may not be in an area at present listed as a target area for potential bombing? As new industries are created, they will operate in that field.

In my own State the Area Development Division is at present working with some persons in rural South Dakota to determine some manufacturing and commercial uses for corncobs and corn kernels, in the development of synthetics and the manufacture of alcohol.

That is a development which impinges of no other area, but it provides commercial utilization for farm products. That is certainly a movement in

the right direction. I hope, with the typical generosity which is characteristic of the great Senator from New Hampshire, he will allow the Area Development Division to operate for 1 year at full speed ahead. Then I shall be happy to join him in making certain that they have not moved in, in an effort to disrupt existing industries.

Mr. BRIDGES. The distinguished chairman of the subcommittee, the Senator from Florida [Mr. HOLLAND] stated that he would accept the amendment. I do not wish to see the amendment adopted. I favored the amount of \$150,000. I think we must put the brakes on a little.

Mr. MUNDT. Does not the Senator believe that the stern admonition he has issued this afternoon will put the brakes on a timid group of new bureaucrats in the Department of Commerce?

Mr. BRIDGES. I am always willing to give and take. We must find some common ground. However, I do not wish to allow the full amount.

Mr. MUNDT. Does not the Senator from New Hampshire feel, as does the Senator from South Dakota, that if we give them \$100,000 more, we shall arrive in conference prepared to give and take, as the Senator has suggested. But if we give and take here, and give and take in conference, and give more than we take, we do not wind up with very much for the Area Development Division. I hope the Senator will go along, and let the give and take occur when we reach the conference.

Mr. BRIDGES. I should like to see the Division operate on a reasonable budget for the coming year. Next year I should like to see a summary of exactly what has been done, what States have been involved, what new industries they got, and where they were settled.

Mr. MUNDT. I am sure we can obtain such information.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. HOLLAND. My statement that I would be willing to accept the amendment of the Senator from South Dakota [Mr. MUNDT] to the committee amendment was predicated upon the very clear understanding with the Senator from South Dakota, and, less formally, but equally clear in my mind, with the Senator from New Hampshire [Mr. BRIDGES], that there was a meeting of minds with respect to the amendment. If those two Senators are not together, of course, I will stand by the decision of the committee. I regret to be placed in what seems to be a dual position. I understood that the Senator from South Dakota and the Senator from New Hampshire had resolved their differences and had agreed upon the amount originally reported by the subcommittee. If they are still quarreling over the amount, I shall have to withdraw my statement, because, of course, I must stand with the committee.

Mr. BUSH. Mr. President, will the Senator from South Dakota yield to me briefly?

Mr. MUNDT. In a moment. I should like to say to my friend from

Florida, in order that he will be under no misapprehension, that the Senator from New Hampshire and the Senator from South Dakota are not approaching each other very closely in this matter. We have arrived actually at an agreement on everything except the amount. We are now proceeding to arrive at an agreement as to the amount. We are making progress.

Mr. HOLLAND. I had understood that the Senator from South Dakota and the Senator from New Hampshire had already reached a rapprochement. Inasmuch as the Senator from South Dakota and the Senator from Florida are both from the South, and inasmuch as I thought I had assurances from both the Senator from South Dakota and the Senator from New Hampshire, I made the statement which I made a few minutes ago; otherwise I certainly would not have made such a statement.

Mr. BRIDGES. Mr. President—

Mr. MUNDT. Mr. President, I yield temporarily to the Senator from New Hampshire [Mr. BRIDGES]. I think we may be able to approach each other a little more closely during this colloquy.

The PRESIDING OFFICER. A few moments ago the Chair announced that, without objection, the amendment to the committee amendment would be agreed to. The Chair did not know that there was objection. Therefore, he withdraws that announcement.

Mr. HOLLAND. Mr. President, I ask that the amendment to the committee amendment be passed over temporarily, if Senators are still trying to get together. This involves a very minor matter, although it seems to be of great importance to Senators from New England as well as Senators from the Middle West. The other members of the committee felt that if there was real good to be accomplished for those two areas, if there was a need for the services of this agency on the part of people now out of employment, and that need could be served by this agency, they were willing to go along.

Mr. MUNDT. Mr. President, I have just had a conference with the Senator from New Hampshire [Mr. BRIDGES] in the process of rapprochement which we were discussing a little earlier. We realize, of course, that whatever action the Senate takes is over and beyond what the House allowed, and that in the give-and-take of conference it is necessary to have a meeting of minds. I should like to inquire of the Senator from New Hampshire, who seems to feel that perhaps another \$50,000 for this division for the coming year might be appropriate, whether he could go along with a proposal for \$75,000 and allow the question to be settled in conference, after we see what the attitude of the House is. We may not be able to hold even the \$50,000, but if we adopt a figure of \$75,000 additional, we shall have some basis on which to negotiate. Perhaps we can hold the full amount. Perhaps not.

Mr. BRIDGES. Mr. President, I do not wish to delay the vote on this amendment. The House heard the evidence, and did not allow anything.

Mr. MUNDT. The Senator is correct.

Mr. BRIDGES. The Senate Committee on Appropriations allowed \$150,000. Of course, I realize that when one branch of Congress allows \$150,000 and the other branch allows nothing, there is not much to consider in conference. However, I wish to stress the point that I do not want the Federal Government through this agency or any other agency to pry into States in an attempt to move an industry from one area to another area.

Mr. MUNDT. I think it would be highly appropriate—and it might well be done in a conference—to ask, first, that the Area Development Division does make the report that the Senator has in mind; second, that it limit its activities, as we know it intends to do and should do, to helping communities bring in industries, but not take them from another area.

Mr. BRIDGES. I do not want to hold up consideration of this matter any further. If the Senator from South Dakota and the Senator from Florida can agree on a \$75,000 increase, I will accept it, so far as I am concerned.

The PRESIDING OFFICER. Without objection, the amendment to the amendment is agreed to, and, without objection, the committee amendment, as amended, is agreed to. The secretary will state the next amendment of the committee which was passed over.

The next amendment passed over was, under the subhead "Maritime Activities," on page 9, line 20, after the word "For", to insert "construction as authorized by sections 701 and 702 of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1191, 1192), of one prototype tanker and two prototype cargo ships; for."

Mr. WILLIAMS. Mr. President, it is my understanding that it is agreeable to the Senator from Florida that we pass over this amendment for the moment and consider the next amendment, which is related to this amendment.

The PRESIDING OFFICER. Without objection, the amendment will be passed over temporarily, and the Secretary will state the next amendment.

The next amendment was, on page 10, line 15, after the word "equipment", to strike out "\$64,700,000" and insert "\$102,800,000."

Mr. WILLIAMS. Mr. President, I am opposed to the increase recommended by the committee, but first I will yield to the Senator from Florida, who perhaps will be willing either to have the amendment rejected or to explain why he believes it should be adopted.

Mr. HOLLAND. Mr. President, I did not understand the Senator's statement.

The PRESIDING OFFICER. The Senator from Delaware wants an explanation of the amendment or its elimination.

Mr. WILLIAMS. Perhaps the Senator from Florida is willing to have the amendment rejected and thus save the time of the Senate.

Mr. HOLLAND. Mr. President, this item is for maritime activities, and applies to the subject of ship construction and that general field. The House provided for this item an amount of \$64,700,000. The Senate committee proposes to increase the amount to \$102,800,000.

The committee added \$38,100,000 for ship construction under maritime activities of the Department of Commerce. The amount which the committee added is primarily for three things which would be eliminated by the bill as passed by the House, all of which are estimated for in the budget.

First, there are three prototype vessels, all of which are essential to defense mobilization requirements. One of them is a high-speed tanker, and the other two are cargo ships to be constructed along lines which are thought to be improvements.

Incidentally, the Navy is strongly supporting the construction of these three prototype ships. The Navy proposes to put them into active operation and test their effectiveness just as soon as it can get the ships. They would be a part of the Navy's Military Sea Transport Service.

Second, it is necessary to keep up the level of the tanker trade-in program which was recommended last year. The House has cut the amount in half, allowing \$11,500,000. The Senate committee restored the other half of the cut, or \$11,500,000.

Third, there is the restoration of half the budgeted amount of \$5 million for research, which will permit the Maritime Administration to go ahead with the experimental conversion of one more Liberty ship in fiscal year 1956. The restoration of the \$38,100,000 will permit the accelerated ship-building program, which the Senate initiated last year, to continue.

I may say that we were thoroughly impressed with the fact that this activity was just as much a part of the defense program and of the defense preparations of our Government as were those portions of the program which will come under the armed services appropriation bill and under the military public-works bill.

As to these three prototype vessels, although the members of the committee are not maritime experts, we were greatly impressed with the fact that there was an obligation placed by Congress upon this agency to develop new and adequate ships to meet the trying conditions of modern times. We felt that the recommendation of the Budget Bureau, which has been very conservative in the approval of many items, even in the field of defense, should be given very great weight, and of course the recommendation of the agency itself, particularly when it was strongly backed by the Navy, which explains that its merchant transport support is now much too slow to meet modern conditions.

The item for the tanker trade-in program rather explains itself. The House cut the figure for the tanker trade-in program started last year in half, by striking out \$11,500,000. It seemed to the committee that the full program should go ahead. If there is anything wrong with the program, let us stop it.

That program, of course, has to do with the return to reserve of slow ships which were built during the war, which are to be stored with the other hundreds of war-cargo vessels in the various re-

serve merchant fleets, and the building of new tankers having greater speed and designed to meet modern conditions.

The budgeted amount for research, we thought, was an important item. It seems to us that in this day, when we are spending so much in research in connection with the atomic bomb, munitions of war, and all the other things which have to do with the armed services, such as guided missiles and the like, we would be very shortsighted indeed if we did not recognize the fact that research is certainly necessary in the case of these vessels—tankers and cargo ships and passenger ships—which must likewise be made adequate in order to meet the conditions of modern atomic-age requirements.

Therefore, Mr. President, we restored these items, believing that was the right thing to do in the national interest. That is the position of the committee.

Mr. WILLIAMS. To point out in answer to the Senator from Florida that some of his own arguments will defeat what he is proposing. He points out that the committee has restored the tanker trade-in allowance in order to modernize the tanker fleet. In the closing days of the session last year we passed a bill—and I supported it—the purpose of which was to provide for a fast speed tanker program. Early this year, in a supplemental bill, the Appropriations Committee authorized certain funds to implement that bill. I supported that appropriation, with the understanding that we would build a modern tanker fleet with speeds of not less than 18 knots. The truth of the matter is that we have not built a modern fleet, but are merely subsidizing the same old-type tankers that were built before we passed the bill.

I should like to read from the committee report and the testimony that was given on this question last year. I read from House Report No. 1929, which accompanied H. R. 9252. This was the bill that authorized the trade-in tanker program, the purpose of which was to give us a fleet of high speed tankers of at least 18 knots each.

I shall not read the whole report, but I would like to quote from a letter sent by Admiral Duncan, Vice Chief of Naval Operations. I shall quote from his letter, but first I ask unanimous consent that the letter may be printed in its entirety at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE CHIEF OF
NAVAL OPERATIONS,
Washington, D. C., June 10, 1954.

Hon. THOR C. TOLLEFSON,
Acting Chairman, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: The Judge Advocate General of the Navy has advised me that your committee desires the views of the Navy Department concerning H. R. 9252, a bill to amend the Merchant Marine Act, 1936, to provide a national defense reserve of tankers and to promote the construction of new tankers, and for other purposes, with particular reference to the value for defense purposes of the T-2 tankers which might be traded in under the provisions of the bill.

I welcome the opportunity to express the views of the Navy Department on this matter, since the qualitative deficiencies in the active United States tanker fleet, the approaching block obsolescence of a large part of the fleet and the complete lack of a reserve of tankers against mobilization requirements are of considerable concern to the Department of Defense.

The United States is lagging behind other countries in the construction of modern, fast tankers. A large portion of our tanker fleet is still comprised of World War II T-2 tankers of 14.5 knots speed, which have had hard service and which will all become obsolete in a block in 1963 to 1965. These ships should be replaced in an orderly program by modern, fast, economical tankers if we are to properly supply our needs for petroleum products in the event of a future war.

Our first-line tankers should be ships of a speed of 18 knots or more in order to minimize the hazards of enemy attack and to permit fast turnaround times. However, there is no doubt that we will still have a need for all of the slower ships which are in good condition and which may be available. At present, for all practical purposes, we have no reserve of tankers to meet the greatly increased needs for petroleum products upon mobilization. The T-2 tankers which might be replaced under this bill would form a valuable reserve of usable tankers which, upon mobilization, would supplement the new tankers in the support of military operations until the mobilization shipbuilding program is brought into operation. The T-2 tankers could be used in many areas where the enemy threat is not great, while the new higher speed tankers serve the more hazardous areas. In this manner the T-2 tankers could continue to serve a useful purpose for many years.

From the national defense point of view, what is needed is an orderly program of construction of improved higher speed tankers which will eventually result in a tanker fleet of active and reserve tankers of adequate characteristics and numbers to meet early mobilization needs in the event of a war. H. R. 9252 is a step in this direction and accordingly has the strong support of the Navy Department. I recommend your favorable consideration of the bill as now written.

Sincerely yours,

D. B. DUNCAN,
Admiral, USN,

Vice Chief of Naval Operations.

Mr. WILLIAMS. I quote from Admiral Duncan's letter, as follows:

From the national defense point of view, what is needed is an orderly program of construction of improved high-speed tankers which will eventually result in a tanker fleet of active and reserve tankers of adequate characteristics and numbers to meet early mobilization needs in the event of a war.

I continue to read from the letter:

Our first-line tankers should be ships of a speed of 18 knots or more, in order to minimize the hazards of enemy attack and to permit fast turn-around times.

I next quote from a letter sent to the committee by Sinclair Weeks, Secretary of Commerce, which was printed in the same report in support of this same proposal. I will quote only a part of the letter that—

If the legislation is enacted the Department, at this time, believes that the 18-knot sustained-sea-speed requirement is the only feature that might require the payment of a national-defense allowance. While the determination of the national-defense allowance for speed will be difficult, no such allowance will be approved unless it is for an item or feature which would not be built

into the tanker except to meet national-defense requirements, or one which has a cost disproportionate to its commercial utility.

The bill passed by Congress was also supported by Mr. Rothschild, the Chairman of the Maritime Commission, for the same reason. I am quoting Mr. Rothschild's statement:

Under the projected program, the national-defense-required speed will be a sustained sea speed of 18 knots under normal operating conditions. We plan to determine the normal speed on a company-by-company basis after consideration of the companies' operating practices, policies, and other pertinent factors, including the companies' fleet average speed and the speed of any postwar construction undertaken by the companies.

The testimony of all three officials representing the top agencies was that we needed a tanker fleet with a minimum speed of 18 knots. I do not think there is a Member of the Senate or a member of the committee which reported the bill who will dispute the fact that the bill was passed with the clear understanding that we were authorizing a high-speed tanker fleet with a minimum speed of 18 knots. Now there have been 4 tankers contracted for, but only 1 of them carries a speed of 18 knots. The others are the old slower speed type tankers, yet they received the same subsidy formerly approved for the high-speed ships. The company was given the same subsidy provided for in the bill, but they built the same old type of slow-speed tankers.

Yet the high-speed feature was the major excuse used to justify the payment of any subsidy at all.

We are now asked to appropriate another \$23 million to carry out the program on the promise that they will now and in the future be good boys and see that we get high-speed tankers. I do not think we have any right to appropriate the money until they explain why they did not carry out their instructions in the first place. Let them come to Congress and explain why they paid out these subsidies without getting value received.

They merely say now, "Give us another \$23 million and we will do better next time." No effort is made to justify their past actions.

I do not think there can be any contradiction of the fact that they are tentatively discussing a contract now with the Gulf Oil Co. involving a trade of 5 tankers for 2, and again they are contemplating a speed of only 17 knots for those tankers. We are told this will be held up now but it is being held up only because the House filed a complaint and of the objections being raised here.

I repeat that notwithstanding the fact that they justified this program of high-speed tankers before the Congress as being in the interest of the national defense. They have been using the money to build tankers which only last year they described as obsolete.

Mr. BUTLER. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. BUTLER. I should like to make a statement in my own right, if the Senator will yield for that purpose.

Mr. WILLIAMS. I would rather the Senator would wait until after I have concluded my statement.

Mr. BUTLER. May I inquire whether the Senator intends to discuss the matter item by item?

Mr. WILLIAMS. I shall be glad to yield to the Senator if he wishes to reply to this particular project. Then I shall take up another item later.

Mr. BUTLER. I thank the Senator. The Senator's main point, as I understand, is that the Maritime Administration came to Congress and asked that the bill be enacted on the basis of constructing high-speed tankers.

Mr. WILLIAMS. Is not that correct?

Mr. BUTLER. As the bill was passed by the Senate, irrespective of the testimony, the heart of the bill was that the speed of the vessels should be set at a figure, as stated by the Department of Defense, which was best for the national interest.

Mr. WILLIAMS. From reading the letters from the Secretary of Commerce and from an admiral of the Navy, and from the chairman of the Maritime Commission I have been unable to find out whether any flexible figure was stated. The figure of 18 knots was used throughout the testimony as being the minimum requirement.

Mr. BUTLER. I was about to address myself to that point. At that time it was the fixed policy of the Department of Defense to have tankers with a speed of approximately 18½ knots. After the enactment of the tanker law the Department of Defense reconsidered the whole subject and, as I understand, certified to the Maritime Administration that any tanker which had a speed between 16 and 20 knots would be satisfactory and would meet all the requirements of the Department of Defense. This year the Department of Commerce asked \$22,400,000 for the acquisition of traded-in tankers under the trade-in plan. The Senate committee allowed the full amount. The House cut the amount requested in half, which is conclusive proof, to me, that the House, after hearing all the facts, was apparently completely satisfied that the purposes of the law are being carried out and that there are being constructed, under the law, tankers which are satisfactory to the Department of Defense.

Under the program for fiscal 1955, eight tankers are authorized to be constructed, most of them with a sustained speed of 16½ knots, which is within the prescribed limit set by the Department of Defense as being usable for defense purposes. This speed is within the 18 knots testified to Mr. Rothschild and by the Department of Defense.

I think I have produced ample proof that after the enactment of the bill the Department changed its mind and revised downward somewhat its estimate of the requirements for national security.

Mr. WILLIAMS. Mr. President, while there are several Members on the floor, I ask for the yeas and nays on the amendment at this time.

The yeas and nays were ordered.

Mr. BUTLER. Mr. President, I think the main point which has been made by the Senator from Delaware is that, inasmuch as the Department of Defense and the Department of Commerce did not do what they said in their testimony they would do, we should bring them back again and go over all that has been done in the House of Representatives. All the witnesses from the Department of Defense have been heard. I respectfully say to the Senator that that has been done in the House of Representatives. All the representatives from the Department of Defense and the Department of Commerce have been heard. The House was perfectly satisfied with the explanation they gave and did not cut out the appropriation, but, as a matter of fact, appropriated half of what was asked, apparently in the interest of economy, which, in my opinion, is an approval by the House of what has been done under the program to date, and is a go-ahead sign from them that, so far as they are concerned, they would like to see the tankers built.

Mr. WILLIAMS. I wish to make it clear that I am not setting myself up as an authority on what the speed of tankers should be. When the Department of Defense came before the committee last year, in the closing days of the session, and said they needed 18-knot tankers, I supported the bill. I felt they knew more about the subject than I did.

If the Department of Defense says today that it has changed its mind, as the Senator from Maryland points out, and will now say that it will be satisfied with 16½-knot tankers, I will not dispute their views.

However, if they have changed their minds, and have decided they do not need 18-knot tankers then there is no need for this \$23 million appropriation. I go back to what Sinclair Weeks the Secretary of Commerce said to the committee, namely, that the only feature of the tankers which would require a subsidy was that which calls for increased speed. So if the Department of Defense has now changed its mind and says it does not need 18-knot tankers, as they have apparently done, my point is that this part of the appropriation should be stricken out, because we then have no justification for subsidies for the construction of the tankers. Let us not pay a subsidy for 18-knot tankers, which we are doing today, and then have slow speed tankers constructed.

It is time that the Department made up its mind and starts spending the taxpayers money for the purpose for which it was authorized.

I am perfectly willing to support a program requested by the Defense Department for a 16, 18, or 20-knot tanker but I am not willing to pay for something we do not get.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BUTLER. Will the Senator give the Secretary of Commerce the same break as he gives himself? The Secretary of Commerce is not an expert on speed. He was merely telling the com-

mittee what the Department of Defense had told him. When the Department of Defense has revised its thinking and now says that a 16½-knot tanker will do the job that an 18-knot tanker will do, why hold that against Sinclair Weeks?

Mr. WILLIAMS. I have great respect for Mr. Sinclair Weeks; that is why I am quoting him here today. He said the 18-knot feature was the only excuse for a subsidy.

Mr. BUTLER. All he is doing is reflecting the thinking of the Department of Defense.

Mr. WILLIAMS. I recognize that that is what he is doing but they change their mind so fast he is having trouble keeping up with them.

But what we are being asked for here today is to continue a subsidy for the building of high-speed tankers when, in reality, we shall be building only low-speed tankers. If the Department of Defense has changed its mind, certainly we should not continue to pay a million or a million and a half dollars a tanker for high-speed tankers which will not be constructed.

All that I am asking is that we not pay for something we will not get. That is exactly what we are doing in this appropriation.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BRIDGES. I should like to have the Senator's position made clear. I stepped off the floor momentarily, and when I returned the distinguished Senator from Delaware was speaking. I heard him say that the Committee on Appropriations had either made a mistake or else had not been given the facts. Will the Senator state how he arrives at that conclusion?

Mr. WILLIAMS. The Committee on Interstate and Foreign Commerce last year reported a bill on the recommendation of Mr. Rothchild, Mr. Weeks, and the Secretary of the Navy providing for the construction of 18-knot tankers. I supported the bill. I think the Senator from New Hampshire did likewise.

Earlier this year the Committee on Appropriations recommended an appropriation to put that plan into effect. I supported the appropriation. The testimony before the committee again was for funds to put into effect a high-speed tanker-building program. My charge is that those funds have not been spent for the purpose for which they were appropriated; they have been spent for the same type of low-speed tankers—at least, for 3 out of 4 thus far contracted for. The committee acted in good faith but they were misled.

Mr. Weeks, the Secretary of Commerce, told the committee at the time the legislation was passed that if low-speed tankers were built, a subsidy was not needed. Yet the same subsidy has been paid for the building of low-speed tankers that was authorized for the construction of the high-speed tankers.

I say again that I am not trying to determine the speed that is needed, whether it be 16 knots or 20 knots, I am willing to leave that decision to someone who knows about the situation. If 18-

or 20-knot tankers are needed, and if 18- or 20-knot tankers are to be built, I will vote for an appropriation to construct them. But I do not want to give money to an agency which has been building low-speed tankers, which is still pledged to build low-speed tankers, when they get that money from the Congress on the basis it will be used for high-speed tankers. As evidence that they know this was wrong they are now frantically trying to change their policy. But if they again get the money, they may do exactly what they did before, namely, spend the money for the building of low-speed tankers.

We have a responsibility to stop the funds until we can correct the legislation whereby we will know this will not happen again. There are millions involved in this deal and certainly no one contends that the major oil companies cannot afford to build their own tankers except as special defense features are required by the Government.

What we are doing is paying for these special features without getting them.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. SALTONSTALL. Since the Senator from Delaware started to speak, I have received information that of the 5 tankers which are under consideration, a contract for 1 of them is firm; contracts for the other 4 are under contemplation as to design, and so forth.

The tanker to be built for Esso will have a speed estimated at 18.3 knots. The one which is firm for Texas Co. will have a speed estimated at 18.5 knots. The 2 tankers contemplated to be built for Gulf will have an estimated speed of 17 knots. Three are under contemplation at the present time; one of them is firm.

Mr. WILLIAMS. That is correct; that is the same information I have. But I point out again the latter part of the Senator's own statement, in which he said that the two contemplated to be built for Gulf will have a speed of 17 knots.

I fail to find—if I am in error, I hope the Senator from Massachusetts will point out where—anywhere in the legislation in which Congress has authorized this program, any reference to tankers having a speed below 18 knots. They were all to be 18- to 20-knot tankers. The bill was passed and the subsidy authorized on the basis of the construction of 18-knot tankers.

There is a difference in the cost of 18-knot and 17-knot tankers. Yet at the same time the subsidy which was given for the building of 16½-knot or 17-knot tankers was in the same ratio as that proposed for the 18- to 20-knot tankers in the bill.

Mr. SALTONSTALL. It is my memory of a year ago—I did not hear the testimony discussed in detail this year—that the program was being contemplated last year because the T-2 tankers were slower and would hold less. The idea was to turn the T-2 tankers back to the reserve fleet and to help build new ones. The purpose of constructing new ones was to build up, by commercial com-

panies, a tanker fleet. The figures showed that Norway, Great Britain, and other countries were way ahead of the United States in tanker construction, and we would have to rely on those countries for tankers unless we built some ourselves.

As I remember, the defense feature included not only the matter of speed, but also the problem of the division of tanks and all that went with it.

Mr. WILLIAMS. That is true; but the extra defense features cost only about \$180,000 or \$200,000 a tanker, whereas the speed item was to cost about \$1 million payable by special trade-in allowance.

Mr. SALTONSTALL. On page 164 of the hearings before the Senate Committee on Appropriations this year, the following statement appears:

It is anticipated that most of the new tankers will be constructed without allowances for national-defense features. However, the program does provide for granting such allowances as a means of insuring construction of vessels with speeds suitable to meet military requirements. Accordingly, it is estimated that at least three of the new tankers will require defense features.

What we are trying to do, without having the United States Government own all the tankers operated in this country, is to have new tankers built by commercial companies, and to have the tankers available, if necessary, for defense purposes.

Mr. WILLIAMS. I am in complete accord with the Senator's objective. I supported the legislation at the time it was passed; and I still support it. But I think the Senator from Massachusetts will agree with me that the Government is not getting for the money it is putting up that which Congress authorized and thought the Government would get, namely, a high-speed tanker program. Three out of the four, or 75 percent, of the fixed contracts which have been let have been for the same old slow-speed tankers, and they are being subsidized at the high-speed tanker rate.

Mr. SALTONSTALL. It is my memory that the T-2 tankers had a speed a good deal less than 16 knots. I do not remember whether it was 12 or 14 knots.

Mr. WILLIAMS. Some of them had around that speed. But the point is that we were speaking of 18 knots, and the bill which was passed, providing for subsidies for the construction of 18-knot tankers, was justified on the basis that with the modern-day speed of our fleet, we would need, in the event of war, high-speed tankers. I still agree with that view. We are paying for that type of tanker fleet but we are not getting it. Only one tanker with a speed of 18 knots or better has been provided for. All the others thus far contracted for have been the slow-speed type, yet they were paid the same subsidy or special trade-in allowance approved for 18-knot tankers.

Mr. SALTONSTALL. I will not disagree with the view expressed as to high-speed tankers, because I do not remember that point. But I do remember that the 18-knot feature was to apply to the 20 ships which were to be constructed especially for Navy purposes,

and to be leased to the Navy for a period of 10 years. The speed of 18 knots did enter into the picture so far as certain of the tankers were concerned.

I am wondering whether the distinguished Senator from Delaware, who has an excellent memory and who is very factual in his statements, did not become confused as between the two types of tankers, which are completely different.

Mr. WILLIAMS. I may very readily have become confused, but if I did, the officials in the departments downtown became confused, too, because Mr. Nichols, the budget officer of the Maritime Board, prepared a memorandum of the record of contracts and I am quoting from his memorandum. There is a lot of confusion in the maritime department as to what they have done or what they plan to do, so it would be very easy for any of us to get mixed up here.

But I am not mixed up when I say we have been paying for something we did not get. Nor is there any confusion but that the authorization and appropriation for these tankers was obtained on the basis of the need for 18-knot tankers.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield first to the Senator from New Hampshire. Then I shall yield to the Senator from Maryland.

Mr. BRIDGES. I wish to say to the distinguished Senator from Delaware that so far as the Senator from New Hampshire is concerned, I think when Congress appropriates money, the Department should spend the money exactly for the purposes for which it was appropriated. Regardless of the result of the proposal of the Senator from Delaware, I think this colloquy will do some good. If Congress appropriates money to obtain 18-knot tankers, that is what should be obtained. I do not like the idea of departments going behind the back of Congress, after Congress has taken action, and doing something else. On the other hand, I will say that the distinguished chairman of the Committee on Interstate and Foreign Commerce [Mr. MAGNUSON] has called my attention to the fact that a subsidy is paid based on the ratio of the cost, so that the subsidy will automatically be less if the cost of the tanker is less, which would be the case with regard to the lower-knot-speed tankers. I agree with the Senator that when Congress appropriates money for a certain purpose, the intent of Congress should be carried out.

Mr. WILLIAMS. The whole program was justified on the basis that we needed high-speed tankers for national defense, and we are not getting them. What is worse, the Department did not tell the Committee on Appropriations it had made any change in the rules.

Furthermore the subsidy in this instance is based, not on the cost of the tanker, but speed. The extra trade-in allowance or subsidy was to be for the extra 2 or 3 knots speed.

Mr. MUNDT. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield to the Senator from South Dakota.

Mr. MUNDT. I wish the Senator would enlighten me on one point which has disturbed me as a member of the Permanent Subcommittee on Investigations, which about 2 years ago held a long series of hearings involving the disposal of surplus tankers, which not only were sold to former Government employees, who organized tanking companies at a tremendous loss to the Government, but we apparently had so many tankers at that time that we sold them to the Greeks and Venezuelans and people all over the world at very low prices. There have been some scandals in that connection and some indictments in court have been returned. I wish the Senator would give us some assurance that we are not building the same type of tankers which we were selling in return for Greek drachmas and other currency of low value.

Mr. WILLIAMS. There has been some improvement in the tankers being built, but at the same time what are being built today under this subsidized program are tankers which last year witnesses from every agency of the Government dealing with the subject said were obsolete, including the Secretary of Commerce, the Chairman of the Maritime Commission, and the Secretary of the Navy, who testified before the committee last year in justification of the program.

Mr. MUNDT. At least we can be assured, then, that we are not reproducing the type of tanker which we gave away or sold, at a low cost, to anyone who desired to buy a tanker.

Mr. WILLIAMS. Perhaps not, but we are building tankers which were said a year ago to be obsolete. We are subsidizing their construction on the same basis as if they were the modern design. No one here attempts to dispute that fact.

Mr. MAGNUSON. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. MAGNUSON. I hope there will be no misunderstanding as a result of the colloquy which has taken place. What the Senator from South Dakota is talking about is that after the recent war we found we had on hand more than 2,000 ships, and Congress passed the Ship Sales Act. At that time we set a fair price on the ships, considering the market at the time Congress passed the bill. The Government recovered almost 42 percent of the cost of the ships which were sold, which was a great deal more than the percentage of recovery in the sale of any other surplus property which we had on our hands at the end of the war. Some persons bought tankers. We were in the market to sell them. World tension in the meantime increased. The supply of tankers became tight. Persons who had purchased them made some money by selling them. They could have lost money just as easily as they made it. At the time the ship sales bill was passed unanimously by Congress, we thought we were getting even more than we could have reasonably expected to get.

Mr. MUNDT. What the Senator has said illustrates the point I made, which was that the ships were built for 100

cents on the dollar, and sold for 42 cents on the dollar.

Mr. MAGNUSON. But after the war we found ourselves with 2,000 surplus ships on our hands. We still have 1,000 ships in mothballs.

Mr. MUNDT. I am trying to get away from the idea of obtaining or purchasing a great amount of material, whether it is hamburgers or anything else.

Mr. MAGNUSON. I remind the Senator that this occurred during the war.

Mr. MUNDT. I understand what the Senator has said. I am trying to find out whether we are building the same type of ships which we sold, or whether they are a different type. I should like to have that information from the tanker expert, the chairman of the committee.

Mr. MAGNUSON. What the Senator from Delaware has said is correct. Wit-

nesses appeared before the committee and said 18-knot tankers would be built. For some reason the Department of the Navy or the Department of Defense decided 16½-knot or 17-knot tankers would be satisfactory. But I remind the Senator that the size of the subsidy is in ratio to the cost of construction of the ships. As it costs less to build 16½ or 17-knot tankers, as against building 18-knot tankers, the subsidy is reduced in ratio to the cost.

Like the Senator from Delaware, I am no expert on the matter, although I have had a liberal education on it. If the Defense Department says that 16½-knot tankers are satisfactory, that is all right with me. The question is whether we want tankers or do not want them.

Mr. WILLIAMS. I point out to the Senator from Washington that the subsidy or special trade-in allowance which

was allowed on the 16½-knot tankers was exactly the same as would have been allowed on 18-knot tankers. The computation is made on a depreciated value basis for the old tanker, and not on the basis of the difference between the cost of the 16½-knot tankers and 18-knot tankers. The subsidy was for the extra speed, which we did not get. When the decision was made by the Defense Department not to insist on the high speed of 18 knots in the new tankers then the subsidy should likewise have been stopped.

I have in my hand a chart which shows the amounts being allowed for vessels trade in for new ones, which I ask unanimous consent to have printed at this point in the RECORD, Mr. President.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Tanker trade-in-and-build program

(A) ACCOMPLISHED CONTRACTS

Ship	Type	Date of delivery from shipbuilder	Construction cost (exclusive of national defense features)	Cost of national defense features	Date of title transfer to purchaser	Net sales price, adjusted statutory sales price less allowances	Proposed allowance
Cities Service Co. (7 old vessels as part payment for 3 new 16½-knot tankers):							
Bull Run.....	T2-SE-A1.....	July 12, 1943	\$2,771,565	\$121,000	May 29, 1947	\$1,572,619.68	\$850,015
Petrolite.....	(1)	(1)	(1)	(1)	(1)	(1)	943,449
Abiqua.....	T2-SE-A1.....	Oct. 31, 1943	3,737,711	50,000	Sept. 21, 1946	1,713,364.23	939,329
Lone Jack.....	T2-SE-A1.....	Oct. 31, 1944	2,496,081	180,000	Sept. 26, 1946	1,825,048.25	1,047,208
Paoli.....	T2-SE-A1.....	Nov. 11, 1944	2,472,954	180,000	Jan. 14, 1947	1,797,871.70	1,037,823
French Creek.....	T2.....	Dec. 20, 1944	2,679,291	180,000	Dec. 20, 1944	1,896,398.00	987,843
Logans Port.....	T2-SE-A1.....	Apr. 11, 1945	2,384,481	180,000	Aug. 22, 1947	1,738,466.44	1,069,458
Total.....							6,875,125
Texas Co. (2 old vessels as part payment for 1 new 18½-knot tanker):							
Florida.....	T2.....	Oct. 13, 1937	1,969,016	(1)	(1)	(1)	420,961
Rhode Island.....	T2.....	Dec. 23, 1937	1,969,016	(1)	(1)	(1)	429,596
Total.....							850,557

¹ Not available.

(B) AGREEMENT IN ADVANCED STAGES OF NEGOTIATION

Esso Shipping Co. (5 vessels for 2):							
Esso Cumberland.....	T2-SE-A1.....	May 27, 1944	\$2,431,750	\$180,000	Nov. 20, 1946	\$1,754,449.44	\$1,078,777
Esso Lynchburg (Chalmette).....	T2-SE-A1.....	June 19, 1944	2,832,885	80,000	Jan. 14, 1948	1,595,011.04	1,015,714
Esso Roanoke.....	T2.....	July 14, 1944	2,621,214	180,000	July 14, 1944	1,839,119.00	991,488
Esso Memphis.....	T2.....	June 28, 1944	2,656,967	180,000	June 28, 1944	1,834,677.00	973,371
Esso Parkersburg (Fort Cornwallis).....	T2-SE-A1.....	Apr. 27, 1944	2,420,257	180,000	Oct. 16, 1946	1,755,837.48	1,066,825
Applicants estimated value as at Dec. 31, 1954.....							5,126,175
Less estimated depreciation to date of acceptance.....							-126,175
Estimated trade in.....							5,000,000
National defense features.....							2,000,000
Total.....							7,000,000

Mr. WILLIAMS. Mr. President, the chart shows the names of the vessels involved, the dates they were constructed, the total cost to the United States Government, the price at which they were sold to the companies, and the prices they brought as trade-ins, and again I point out the allowance for the trade-ins on the slow-speed tankers was just as high as for the faster speed.

Mr. MAGNUSON. The Senator from Delaware is correct. I suspect the trade-in allowance was pretty much a uniform trade-in allowance for certain types of tankers. The only reason for the program was that we would get some now, modern tankers. I am sure the Senator from Delaware, the Senator from Massachusetts, and the Senator from Maryland do not dispute that, for

some reason, the Defense Department decided that 16½-knot tankers were just as satisfactory as 18-knot tankers; but the recapture transaction is subject to the total cost, less the trade-in.

Mr. WILLIAMS. But the chairman of the committee will agree with me on this point, will he not? The Secretary of Commerce, Mr. Weeks, testified before the committee that the only justification for subsidy in this instance was the fact that the tankers were going to be high-speed ones.

Mr. MAGNUSON. That is correct.

Mr. WILLIAMS. The tankers we received were not made high speed, and the Department still paid the subsidy.

Mr. MAGNUSON. They paid in ratio to the total cost.

Mr. WILLIAMS. They still paid the subsidy; did they not?

Mr. MAGNUSON. Yes.

Mr. WILLIAMS. That is the point I am trying to bring out.

Mr. MAGNUSON. Let me ask the Senator to bring out another fact, however.

Mr. WILLIAMS. Mr. President, I should like to have this \$23 million stricken from the bill. I should like to see Secretary Weeks and the chairman of the Maritime Commission asked to go before the Appropriations Committee and, if they need only 16½-knot tankers, tell the committee so; and unless they have changed their provision then no subsidy is needed. I am not in favor of having the Federal Government spend \$23 million as a subsidy for the construction of tankers on the understanding that they will have a speed of 18 knots, and then have these subsidies paid

to companies building the same slow speed tankers. It is a waste of the taxpayers' money and should be stopped.

Mr. MAGNUSON. I think the Senator from Delaware is absolutely correct in his remarks about the chronological details. But in this case we are dealing with appropriations for the fiscal year 1956; and what will happen in 1956, I do not know. If the Defense Department says that, for this purpose, 17-knot tankers are just as good as 18-knot or 18½-knots or 18.3-knot tankers—as specified under one of the commitments—I suppose we shall have to accept that opinion. However, the tanker program is but one part of the overall program.

Mr. WILLIAMS. I wish to say to the Senator from Washington that if the Defense Department says it needs 17-knot tankers, I will support such a program. I do not profess to be an expert as to the required speed of tankers; I know nothing about the matter. But if the Department of Defense says 17 knots is sufficient, certainly we should not pay for tankers having a speed of 18 knots.

I cannot predict what will be done in the future; but I can point out that in the past the money was used—and it was done without objection, so far as I recall—to pay for tankers which were supposed to have a speed of 18 knots, but which did not have that speed. The money has been spent and we still have an obsolete tanker fleet. I think representatives of the Department should come before the Appropriations Committee and the Committee on Interstate and Foreign Commerce and should state what they wish to do in connection with this program. I venture to say that the Senator from Washington was never told that the speed requirement would be lowered; and the representatives of the Department never said that, "We do not need as much money because we are not going to provide for the national-defense features which have been authorized."

Instead, the history of this matter shows that in the case of 4 of the tankers for which contracts were awarded—3 for Cities Services and 1 for Texaco—the same subsidy was paid, yet only 1 of the tankers had the required speed of 18 knots.

Furthermore, the tentative plans for the Gulf Oil Co. embraces the construction of a 17-knot tanker, which, again, will have a speed of 1 knot lower than the speed we were told would be needed. On the other hand, there has been no corresponding reduction in the formula for the subsidy.

Mr. MAGNUSON. I think the bill would have been passed in any case, regardless of whether it provided for 17-knot tankers or for 18-knot tankers.

Mr. WILLIAMS. Yes, the bill would have been passed but the subsidy would have been less.

Mr. Weeks testified that the subsidy is not needed if the tankers to be constructed are to have speeds of 16½ knots. He said the only justification—and he used the word "only" in that connection—for a program of this kind is the high-speed tankers we are going to ask to have constructed.

This amendment of the committee should be defeated until we know what we are paying for. Not one member of the committee knows today.

Mr. SALTONSTALL. Mr. President, will the Senator from Delaware yield to me?

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from Delaware yield to the Senator from Massachusetts?

Mr. WILLIAMS. I yield.

Mr. SALTONSTALL. The Senator from Delaware used the word "only." It is not my understanding that speed is the only thing necessary for defense purposes, in connection with the construction of these vessels. I may be in error as to some details; but I know I am correct when I say that in the case of some of the tankers a different layout is called for, so that different types of oil, and so forth, can be carried.

Mr. MAGNUSON. Yes. Furthermore, at the present time, in view of the speed of the new type submarines, including submarines driven by atomic energy, the speed of tankers is not so important as it formerly was.

Mr. WILLIAMS. Mr. President, let me say that the Senator from Massachusetts is correct in what he has said; there are certain other national-defense features in the case of tankers, and that is true both in regards to the slow speed tanker as well as the high speed, but the cost of that part of the national defense feature is relatively low as compared to the extra cost arising from the speed factor.

In 1944, such subsidy averaged \$180,000 per tanker. I understand that the subsidy now amounts to a little more, due to the increased cost of construction. But I am referring here today to the extra subsidy, under the provisions of this bill, for the construction of tankers of high speed. As Mr. Weeks pointed out, the only justification—and he definitely used the word "only" in that connection—for paying an additional subsidy in connection with the construction of these tankers is to obtain a high-speed tanker fleet. I would still back a program for a tanker fleet with a speed of 18 knots or 20 knots; but I am not willing to have the Congress provide funds for the construction of an 18-knot tanker fleet, when the tankers which have been constructed have a speed of only 16 knots.

Mr. BUTLER. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. BUTLER. Does not the Senator from Delaware admit that all the ships built under the appropriation carried in this bill will have a speed of 18 knots or more?

Mr. WILLIAMS. That could be the case or it could not, we do not know.

Mr. BUTLER. But the ships are contracted for, are they not?

Mr. WILLIAMS. No, the Senator from Maryland is mistaken. The Senator from Massachusetts just pointed out the situation in that respect.

Mr. BUTLER. Did not the Senator from Massachusetts say that one of the tankers had a speed of 18.3 knots?

Mr. WILLIAMS. Yes; but the Gulf Oil Corp. is also in the process of negotiating for the construction of a tanker to have a speed of only 17 knots.

Mr. BUTLER. I understand that the negotiations have been closed, and that the Department of Commerce has refused to accept any tanker or to agree to the construction of any tanker with a speed of only 17 knots.

Mr. WILLIAMS. My understanding is the same as to the last 48 hours, the Department of Commerce—

Mr. BUTLER. But does the Senator wish to have the appropriation decreased on account of the agency's past sins?

Mr. WILLIAMS. It has been only in the last 48 hours, so far as I know, that the Department of Commerce has decided that it would reject proposals to build tankers of 17 knot speed; and I understand that the Department reached that decision after it was known that this item of the bill would be opposed. Previously the Maritime Administration was seriously considering the proposal to accept 17-knot tankers. But the House committee objected, first; and now the Department of Commerce says it will not accept 17-knot tankers. How do we know that tomorrow they will not change their minds again unless the law is changed? In my opinion representatives of the Department should be called before the committee and should explain what they are doing in connection with this program.

I will agree to vote for the necessary appropriation, if it is properly justified, for the construction of tankers having a speed of 18 knots, 20 knots, or whatever other speed may be needed, but I want the money spent accordingly. However, after Congress provides the necessary funds for the construction of high-speed tankers, I do not want the money to be spent at the same ratio, but for the construction of low-speed tankers.

Three out of four tankers which have been constructed are now obsolete, according to modern standards. That was testified to last year by every witness who appeared before the committee. It is a complete waste of the taxpayers' money.

Mr. HOLLAND. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. I call attention to the compilation appearing at the top of page 165. It covers the item to which the Senator from Delaware has been referring, namely, \$23 million, of which the House voted to strike out half.

Only a small portion of the \$23 million involves national-defense features—\$1,500,000 in the case of three ships. All the rest is for the purchase of 20 old ships in exchange for 10 new ships. One million five hundred thousand dollars is to be used for the cost of laying up the old ships, as the Senator from Delaware knows.

So a very small item is involved in this case. I confess that I do not like any better than the Senator from Delaware

does some departures which have been made in times past, in the beginning of the program. But because of that I am not willing to tie up what I believe to be a very important program.

The Senator from Delaware is really talking about half of an item of \$1,500,000, or \$750,000, out of a total of \$38,100,000 for construction.

It seems to me that if we turn down the requests of both the Maritime Board and the National Security Council, for the National Security Council has backed the request of the Maritime Board, and also the request of the Navy, for three prototype ships, we shall be committing a very great error.

If the Senator from Delaware is willing, I should like to have this item agreed to, subject to the understanding I shall now state. First, let me say that of course I will be one of the conferees on the part of the Senate. In the conference I will do my utmost to have provision made for a watch-dog committee, to consist of members of the Senate Appropriations Committee and members of the House Appropriations Committee, to see to it that the program is carried out in accordance with the understanding of the Senate, because I thoroughly agree that, as usual in the case of the matters the Senator from Delaware discusses, there is much merit in the position he takes. I do not wish to have the point he has raised ignored. I am perfectly willing to take the position I have just stated.

I see the Senator from New Hampshire [Mr. BRIDGES]—who certainly will be a member of the conference committee—nodding his head; and of course the Senator from Massachusetts [Mr. SALTONSTALL] also is a member of the Appropriations Committee. So I am sure there will be no difficulty in obtaining, in the conference, agreement on a provision which will mean that the program will be followed much more closely than has heretofore been the case.

So I hope that the Senator from Delaware, in making this effort on his part, will not actually prevent the making of an appropriation of \$38,100,000 for the construction of vessels which the Security Council has told us are important as a part of our Nation's preparations for defense.

Mr. WILLIAMS. Mr. President, the Senator from Florida is not correct in this respect. The \$23 million item we are talking about now has nothing to do with the prototype ship, the special 20-knot high-speed tanker. We are not discussing that item at all. We are discussing the program calling for 10 new 18-knot tankers. The \$23 million we are talking about has nothing to do with the prototype, high-speed, 20-knot tanker ship. Likewise the \$1½ million for special defense features for five tankers is not what we are discussing. As the Senator from Massachusetts [Mr. SALTONSTALL] has pointed out, those are national defense features, which are included in both slow-speed and high-speed tankers, and will remain in the program regardless.

We are talking about the \$20 million trade-in feature in connection with

these tankers. The actual subsidy on the tankers is paid in connection with the trade-in allowance. Special allowances are made if the tankers are traded in and high-speed tankers are built. The operators have been getting the allowances, but they have been building slow-speed tankers. The amount involved is \$20 million and not \$1,500,000.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. SALTONSTALL. Following up what the Senator from Florida has said, I will not be a member of the conference committee, but it seems to me that between now and the time of the conference, the conferees could get a letter from the Department of Defense and a letter from the Department of Commerce, so as to justify the position of the Senate. The House has stricken out a great deal of this program, and the Senate must justify its action.

There is much merit in what the Senator from Delaware has said. If we can get the letters to which I have referred, we can go forward. As the Senator knows, this is a very important program.

Mr. WILLIAMS. The Senate will be in session for another 30 days. I am willing to finance the program, but I want the letters in advance. I do not want to put up \$23 million for an agency which has not carried out its promises in the past. Personally I am not willing to go along with such a proposal.

In resisting this amendment, I emphasize that it has nothing to do with the prototype 20-knot tanker, which can still be built with the funds left.

There is another item, in addition to the \$23-million item, which will be embraced in the elimination if we can defeat the committee amendment. I refer to the item of \$11,300,000 for the conversion of what are apparently represented as two obsolete cargo ships into passenger ships. I should like to show the Senate how obsolete the cargo ships are, with respect to which it is proposed to put up \$11,300,000 for reconversion.

These two ships were completed and came from the shipyards new, about 2 years ago. The first one was completed new on March 26, 1953. The name of the ship is the *Free State Mariner*. It was built at the Bethlehem Steel Co. plant at Sparrows Point, Baltimore. She cost the United States Government \$8,632,263. This ship was sold on May 31, 1955, to the Oceanic Steamship Co. for \$4,820,446, representing a loss of about half the cost. That is behind us. That is all gone. We financed that ship and took a mortgage for about 75 percent of the sales price. Now after having sold the ship for \$4,820,446 an appropriation of \$5,650,000 is being asked to give to the Oceanic Steamship Co. to reconvert this same ship which it bought only 3 weeks ago. The proposal now is that it take this cargo ship and convert it into a passenger ship. A 2-year-old, \$9-million ship was sold for \$4,820,446. Now it is proposed to give the buyer the Oceanic Steamship Co. over \$5½ million to cover reconversion costs.

The second ship is the *Pine Tree Mariner*, which was built by the Bethle-

hem Steel Co. in its Quincy, Mass., yard. The cost was \$9,165,864. The ship was completed new on April 3, 1953. Tentative arrangements have been made to sell this ship, if this bill goes through, to the Oceanic Steamship Co. for \$4,900,200. She cost us \$9,165,864. We are selling her for \$4,900,200. If this bill goes through, we are going to give the company which buys her \$5,650,000 supposedly to reconvert the ship into a passenger ship.

Yes, it is fantastic; 2 ships about 2 years old which cost over \$17½ million being sold for between nine and one-half and ten million dollars and now 30 days later we are being asked to give the buyers \$11,300,000 cash from the Treasury to spend toward improving these same ships making them suitable for passenger service. As if that is not enough after they are put into service the proposal is that the taxpayers subsidize their operations for the next 10 years. If anyone can make any sense out of such a program, I say, vote for the committee amendment. I think it should be defeated.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. MAGNUSON. I hope the facts are not as stated by the Senator.

Mr. WILLIAMS. I hope they are not, either; but I am afraid they are right. I obtained these figures from the Department. I am perfectly willing to have the Senator from Washington suggest any corrections.

Mr. MAGNUSON. I know a little about the so-called mariner program.

Mr. WILLIAMS. I am not talking about the overall Mariner program. We are not dealing with that. We are talking about 2 specific ships and \$11,300,000, \$11,300,000.

Mr. MAGNUSON. These are ships which were built under the mariner program.

Mr. WILLIAMS. We are dealing with an item in an appropriation bill which calls for \$11,300,000 for the conversion of two ships by the Oceanic Steamship Co. One is the *Free State Mariner*, and the other is the *Pine Tree Mariner*. Let us stay on the subject of those two ships. The amount involved in the conversion of those two ships is \$11,300,000 and the same ships were sold for less than \$10 million about 30 days ago.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BUTLER. Does the Senator realize that if we do not convert the 2 ships on the basis he has described, but, instead, build 2 new ships of equal kind and character, the Government will have to spend approximately \$17 million in subsidies, and that these ships would rust away at anchor?

Mr. WILLIAMS. If these ships are to rust away at anchor, that illustrates a further confusion in the maritime problem. About 2 years ago the Department came to Congress asking for a multi-million-shipbuilding program, on the basis that we needed a modern cargo ship program. These are some of those modern ships. It was in 1952 that we

enacted the provision for that program.

Mr. MAGNUSON. Did the Senator say that the shipbuilding program involved an appropriation of \$350 million?

Mr. WILLIAMS. I am not sure of the exact amount carried in the bill which passed the Senate. I think it was near that figure. At any rate, the program was passed early in 1952. These are new ships. If Senators can make any sense out of taking cargo ships to make passenger ships and then turning passenger ships into cargo ships all at the expense of the American taxpayers, then vote for the committee amendment. Personally, I do not understand it and will not support such actions.

Mr. BUTLER. Mr. President, will the Senator further yield?

Mr. WILLIAMS. I yield.

Mr. BUTLER. Does the Senator realize that these ships were built for a special purpose, in an imminent emergency? They were built practically as naval auxiliaries. Everyone knew that fact. They were not ordinary cargo ships. They were practically naval auxiliaries. We had to take a calculated risk that they might be needed in the event of an emergency.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 10, lines 15 and 16.

Mr. MUNDT. Mr. President, I shall not detain the Senate more than a minute or two. I shall not discuss controversial matters. Perhaps I can finish in less time. The majority leader is smiling.

I cannot resist the temptation to call the attention of the Senate, which, along with the rest of America, confronts a serious, critical situation in agriculture, to the fact that we have before us an analogous situation which should give cause to ponder to those who have been resisting the effort to provide adequate support prices for farmers.

The distinguished Senator from Washington [Mr. MAGNUSON] has said that we accumulated too many tankers during the war. We sold them for 42 percent of what they cost us. We accumulated too much wheat during the war. If we could have got rid of that wheat on a 42-percent basis our agricultural problem would have been easily solved.

We are about to vote for a subsidy to provide new tankers because we need them. But when it comes to the consideration of the farm problem, we say that we must not have any price supports. At least, we have some hesitancy about providing them.

It seems to me that the two cases are parallel. They are Siamese twins, in effect. The unhappy thing about Siamese twins is that when they are operated upon to separate them, one of them usually dies. In this case it always seems that it is the agriculture Siamese twin which dies.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS. There seems to be some misunderstanding. If a Member of the Senate is opposed to including the items which I have discussed, his vote would be "nay," as I understand, and if he wanted to include the items in the amendment, his vote would be "yea." Is that correct?

The PRESIDING OFFICER. The Senate is now voting on the committee amendment at page 10, lines 15 and 16, to strike out "\$64,700,000" and insert in lieu thereof "\$102,800,000."

The legislative clerk resumed and concluded the call of the roll.

Mr. JOHNSON of Texas. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], and the Senator from North Carolina [Mr. SCOTT], are absent on official business.

The Senator from Kentucky [Mr. CLEMENTS] is absent by leave of the Senate until June 21, 1955, on behalf of the Senate Appropriations Committee to conduct an on-the-spot study of specific matters relating to our foreign-aid program.

The Senator from Montana [Mr. MURRAY] is absent by leave of the Senate to attend the International Labor Organization meeting in Geneva, Switzerland.

The Senator from Georgia [Mr. GEORGE] is unavoidably absent.

On this vote, the senior Senator from Kentucky [Mr. CLEMENTS] has a general pair with the junior Senator from Illinois [Mr. DIRKSEN].

The senior Senator from Montana [Mr. MURRAY] has a general pair with the senior Senator from Michigan [Mr. POTTER].

I also announce that if present and voting, the Senator from Massachusetts [Mr. KENNEDY] would vote "Yea."

Mr. SALTONSTALL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from New Hampshire [Mr. COTTON], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Iowa [Mr. HICKENLOOPER] are absent on official business.

The Senator from Maryland [Mr. BEALL] and the Senator from New York [Mr. IVES] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate to attend the funeral of close personal friends.

The Senator from Nebraska [Mr. CURTIS] is necessarily absent on public business.

The Senator from Illinois [Mr. DIRKSEN] is absent on official business for the Committee on Appropriations.

The Senator from Michigan [Mr. POTTER] is absent by leave of the Senate to attend International Labor Organization meeting in Geneva, Switzerland.

The Senator from Iowa [Mr. MARTIN] is detained on official business.

The Senator from Illinois [Mr. DIRKSEN] has a general pair with the Senator from Kentucky [Mr. CLEMENTS].

The Senator from Michigan [Mr. POTTER] has a general pair with the Senator from Montana [Mr. MURRAY].

If present and voting, the Senator from Maryland [Mr. BEALL] and the Senator from Nebraska [Mr. CURTIS] would each vote "yea."

On this vote, the Senator from New York [Mr. IVES] is paired with the Senator from Iowa [Mr. MARTIN]. If present and voting, the Senator from New York would vote "yea" and the Senator from Iowa would vote "nay."

The result was announced—yeas 53, nays 20, as follows:

YEAS—53

Barkley	Hruska	Monroney
Bennett	Humphrey	Neely
Bible	Jackson	Neuberger
Bridges	Johnson, Tex.	O'Mahoney
Bush	Johnston, S. C.	Pastore
Butler	Kilgore	Payne
Case, N. J.	Knowland	Purtell
Chavez	Kuchel	Robertson
Daniel	Langer	Saltonstall
Duff	Lehman	Smathers
Ellender	Long	Smith, Maine
Ervin	Magnuson	Smith, N. J.
Gore	Malone	Stennis
Green	Mansfield	Symington
Hayden	Martin, Pa.	Thye
Hennings	McClellan	Watkins
Hill	McNamara	Wiley
Holland	Millikin	

NAYS—20

Aiken	Dworshak	Schoeppel
Barrett	Frear	Sparkman
Bender	Jenner	Thurmond
Bricker	Kerr	Welker
Carlson	McCarthy	Williams
Case, S. Dak.	Mundt	Young
Douglas	Russell	

NOT VOTING—23

Allott	Dirksen	Kefauver
Anderson	Eastland	Kennedy
Beall	Flanders	Flanin, Iowa
Byrd	Fulbright	Morse
Capehart	George	Murray
Clements	Goldwater	Potter
Cotton	Hickenlooper	Scott
Curtis	Ives	

So the committee amendment on page 10, lines 15 and 16, was agreed to.

Mr. BRIDGES. Mr. President, I wish to say for the benefit of the Senator from Delaware [Mr. WILLIAMS], who, I think, performed a good service in bringing out this matter, that in supporting the committee amendment many Senators, certainly, with respect to one phase of it, supported it because of contracts having been made. But I think, certainly, when the Maritime Commission is given money, as it was, for a definite objective, the Commission, or Mr. Rothschild as Chairman, or anyone else, has no right to go around the intent of Congress as to the purpose for which the money was appropriated.

Mr. WILLIAMS. I thank the Senator from New Hampshire. I hope the discussion which we have had will help,

and I am sure the committee will try to correct these conditions. But, on the other hand, I wish to point out that the contracts for which this money is authorized have not all been made and I hope that they will give this problem their immediate attention. I received a letter from the Acting Chairman of the Maritime Administration in which he said further contracts would be made if we authorized the money.

I point out again that we are subsidizing the construction of 18-knot tankers when, in reality, we are getting nothing but the same slow-speed tankers. We have not been getting what we have been paying for.

I think there should be no misunderstanding, and I certainly hope something can be done in regard to the correction. I appreciate the assurances of the Senator from New Hampshire.

The other phase of the operation, which I hope the committee will examine is that where 2 years ago two ships were completed at an average cost of \$9 million apiece, and which, in the past few weeks, have been sold for an average of \$4¾ million apiece, then in this appropriation bill just approved by the Senate vote the buyer will get \$11,300,000 as a subsidy toward the reconversion costs of these same two ships.

This \$11,300,000 subsidy which the Senate has just voted to give to this company toward their reconversion costs represents about \$1½ million more than they paid us for the ships only 30 days ago.

It is even more complicated than that. The Government holds a mortgage for about 75 percent of the original purchase agreement.

The PRESIDING OFFICER. The clerk will state the committee amendment on page 9, line 20.

The amendment was, under the subhead "Maritime Activities," on page 9, line 20, after the word "For", to insert "construction as authorized by sections 701 and 702 of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1191, 1192), of one prototype tanker and two prototype cargo ships; for."

Mr. HOLLAND. Mr. President, I think I correctly understood the Senator from Delaware to say that necessarily the amendment which we have voted upon would carry with it the adoption of the amendment which is now before us.

Mr. WILLIAMS. I think that is correct. The previous action of the Senate makes the adoption of this automatic.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 11, line 17, to strike out "\$90,000,000" and insert "\$115,000,000."

Mr. WILLIAMS. Mr. President, I will take only a few minutes on this particular amendment. This is a proposal to increase the amount of operational subsidies from \$90 million to \$115 million. Last year, in the regular appropriation bill, we appropriated \$65 million. It is a question of how far we wish to go in paying a subsidy for the operation of

ships of which we have already subsidized their construction. I shall ask only for a voice vote, to save the time of the Senate, but, at the same time, I think the amendment should be rejected. I again point out that a part of this subsidy will go to subsidize the operation of the same two ships the sale of which I mentioned a short while ago. Unquestionably this whole question of operational subsidies has been carried too far and here is a chance to cut them back. These are not firm contracts and we can properly make the cut.

Mr. HOLLAND. First, the committee restored the budget amount; second, we believe that amount will have to be paid this coming year; third, if it is not paid, the United States will suffer, and no one else.

There is a recapture clause, under which we have already reclaimed approximately \$95,916,000 and we are reclaiming every month amounts from the successful carriers. If we make it necessary for them to borrow in order to pay interest, we will simply defeat the recovery provision.

Mr. WILLIAMS. The recapture clause is not quite that handy. The recapture clause only works wherein the Government can reclaim 50 percent of the profits after the company has earned 10 percent on its investment. Therefore, this recapture clause does not take care of the situation any more than the 52 percent corporation tax rate would eliminate the need for a renegotiation authority. Many different lines are now coming in to be subsidized. A few years ago they were not because world shipping rates were high and they made a lot of money. When, at the expense of the American taxpayers, we so generously gave wheat to India a few years ago the freight rates from the United States to India had been averaging from \$10 to \$12.50 a ton. After Congress authorized the multimillion dollar gift to India, the freight rates on grain to India were raised to \$22 or \$25 a ton. Now they are down again to \$12 a ton.

Those are the operators who are asking to be subsidized, because now there is not quite as much shortage in shipping space, thereby tending to drive freight rates down.

The same rapid increase in freight rates for oceanic shipping took place after the Marshall plan was approved and after the Korean war broke out. The companies jumped their rates from 200 to 300 percent, and some of them even leased their ships to Russian satellites in a greedy effort to get all the traffic could bear.

Now with world conditions improving and rates becoming more competitive they want the American taxpayer to take over and guarantee them a profit. It is time to call a halt and the committee amendment providing an extra \$25 million over the House bill should be defeated.

My own opinion is that those shipping lines which excessively raised their rates on the United States Government when we needed ships should be refused any subsidy now.

I think we are making a mistake to put this extra burden on the taxpayers' back. The same operators will raise their rates again, when it is profitable to do so.

I hope this amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment. [Putting the question.]

The ayes appear to have it.

Mr. WILLIAMS. Mr. President, I ask for a division.

On a division, the amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment which was passed over.

The next amendment was, on page 12, line 10, to strike out "eighteen hundred and forty-seven" and insert in lieu thereof "two thousand."

The amendment was agreed to.

The next amendment was, on page 12, beginning in line 13, after the word "year", to strike out "of which not less than one hundred and twelve shall be for operators who have not held contracts prior to July 1, 1955."

The amendment was agreed to.

The next amendment was, on page 12, line 19, after the word "Administration," to strike out "\$14,000,000" and insert "\$14,700,000."

The amendment was agreed to.

The next amendment was, on page 13, line 2, after the word "warehouse", to strike out "\$1,085,000" and insert "\$1,345,000."

The amendment was agreed to.

The next amendment was, on page 13, line 3, after the word "expenses", to strike out "\$6,960,000" and insert "\$7,400,000."

The amendment was agreed to.

The next amendment was, at the top of page 17, to insert:

Vessel operations revolving fund: Hereafter the vessel operations revolving fund, created by the Third Supplemental Appropriation Act, 1951, shall be available for necessary expenses incurred, in connection with protection, preservation, maintenance, acquisition, or use of vessels involved in mortgage-foreclosure or forfeiture proceedings instituted by the United States, including payment of prior claims and liens, expenses of sale, or other charges incident thereto; for necessary expenses incident to the redelivery and lay-up, in the United States, of ships now chartered under agreements which do not call for their return to the United States; for payment of expenses of custody and husbanding of Government-owned ships other than those within reserve fleets; and for payment of expenses of emergency repairs of ships in reserve fleets: *Provided*, That said fund shall be credited with all receipts from charter of Government-owned ships under the jurisdiction of the Secretary of Commerce.

Mr. RUSSELL. Mr. President, it seems to me that this amendment is legislation. I should like to have a reason given for the amendment.

Mr. HOLLAND. Notice has been filed with respect to this particular amendment. If the Senator from Georgia would not mind passing over this amendment, so that we may dispose of other amendments, I shall be glad to come back to the amendment and give an explanation.

Mr. RUSSELL. That is agreeable to me.

Mr. HOLLAND. Mr. President, may the Senate proceed to other amendments?

The PRESIDING OFFICER. Without objection, the amendment at the top of page 17 will be temporarily passed over.

The next committee amendment will be stated.

The next amendment was, on page 26, after line 2, to insert a new section, as follows:

SEC. 105. Hereafter the position of Budget Officer of the Department shall be in GS-17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

The amendment was agreed to.

The next amendment was on page 17, after line 17, to insert:

Inland Waterways Corporation (administered under the supervision and direction of the Secretary of Commerce): Not to exceed \$14,000 shall be available for administrative expenses to be determined in the manner set forth under the title "General expenses" in the Uniform System of Accounts for Carriers by Water of the Interstate Commerce Commission (effective January 1, 1947).

The amendment was agreed to.

The next amendment was, on page 31, after line 15, to insert:

Sec. 206. Notwithstanding the provisions of any other law the officer of the Army now serving as Governor of the Canal Zone shall, effective July 1, 1955, be considered to hold the grade of major general for all purposes, without regard to any limitations on the number of officers in that grade, and while so serving shall receive the pay and allowances of an officer of that grade and his length of service, and when retired under any provision of law shall be advanced on the retired list to such grade and shall receive the retired or retirement pay at the rate prescribed by law computed on the basis of the basic pay which he would receive if serving on active duty in such grade.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments, except the one on page 17, which was passed over.

Mr. HOLLAND. Mr. President, if the Senate will take up at this time an amendment requested by the Department of Commerce, which I had printed in the RECORD yesterday for the information of Senators I have a letter from the Secretary of Commerce, making clear that an item of \$375,000 had been omitted. This item is required for administrative and warehouse expenses during the fiscal year 1956, in the event the ship construction projects shall be allowed. The amendment has been checked, and it is very clear that it was included in the justification but was omitted from the bill by mistake. The committee thinks it should be added.

The place requested for the inclusion of the amendment is on page 10, line 19, and the amendment is to strike out "\$900,000" and insert in lieu thereof "\$1,275,000."

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. WILLIAMS. As I understand, we are not dealing at this time with the amendment on page 17, which was passed over.

The PRESIDING OFFICER. No, that amendment is not now being considered. The Senate is considering a new amendment which has been suggested by the Senator from Florida.

Mr. HOLLAND. It is an amendment to provide for the expenses of administration necessarily required if the ship construction amendments are adopted.

The PRESIDING OFFICER. The amendment offered by the Senator from Florida will be stated.

The CHIEF CLERK. On page 10, line 19, it is proposed to strike out "\$900,000" and insert in lieu thereof "\$1,275,000."

The amendment was agreed to.

Mr. GREEN. Mr. President, I offer an amendment, which I ask to have read.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Rhode Island.

The CHIEF CLERK. On page 25, line 2, it is proposed to strike out "\$5,000,000" and insert in lieu thereof "\$7,500,000."

Mr. HOLLAND. Is my understanding correct that the Senator from Rhode Island has reduced the amount provided in his original amendment by \$2,500,000?

Mr. GREEN. Earlier I offered an amendment, but I do not intend to call it up. Instead, I have offered a new amendment providing for one-half the amount included in the first amendment I offered. The new amendment has the same sponsors.

Mr. HOLLAND. The committee felt, and still feels, that it has dealt rather generously with the subject of hurricane relief, and the like. At the same time, we do not wish to withhold anything which can be done within reason. We are willing to take the amendment to conference, in the hope that an agreement may be reached, and that the funds can be used effectively in the fiscal year 1956.

Mr. THURMOND. Mr. President, as a cosponsor of the Green amendment and a representative of a State that has lost many lives and millions of dollars in damages due to hurricanes and tornadoes, I want to urge the Senate to approve this increase in funds to provide our country with the most adequate protection possible against these weather hazards.

On October 15, 1954, thousands of residents of South Carolina sustained millions of dollars in damages as a result of Hurricane Hazel. This hurricane unexpectedly turned inland in the vicinity of Myrtle Beach, S. C.—one of the finest beach resorts in the world—and virtually ripped up that beach, many others in the area, and then turned further inland to cause still more damage to our farm crops and other property.

One function of the Weather Bureau stations along our coasts is to issue warnings of tornadoes and hurricanes in advance so our people can at least prepare for the worst. Even with the present limited facilities, our Weather Bureau has saved untold lives and damage. According to expert testimony, long-

range radar equipment is most useful in tracking down these hazards.

The Green amendment would provide an additional appropriation of \$2,500,000 to equip 55 of our stations with this modern equipment. This is considerably less than the number experts say we need. I believe we can well afford this additional outlay in expenditures which could save many lives and property losses.

Mr. President, I yield to no one in my earnestness to reduce unnecessary government expenditures, but anytime we can spend a few million dollars to save many million dollars—not to mention the safety of our population—then I believe that is sound Government economy.

Mr. PASTORE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Tornadoes and Warnings," published in the New York Times of Thursday, June 16, 1955.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TORNADOES AND WARNINGS

While those of us who live on the eastern seaboard have been forced to become acutely hurricane-conscious during the past few years, we tend to forget the weather scourge of the inland areas—tornadoes. Figures compiled by the Weather Bureau and released this week should go far to restore our perspective. From 1916 to 1955 about 7,000 tornadoes killed about 9,000 people and caused property damage of close to \$800 millions—a yearly average of 225 deaths and \$20 millions of damage. Nor is the East entirely immune, as residents of Worcester, Mass., well know. On June 9, 1953, a twister tore across that city, leaving 90 dead and \$60 millions of damage to property.

As with hurricanes, the Weather Bureau issues warnings of tornadoes in advance which, even with the present far too limited facilities, have saved untold lives and damage. Most useful in tracking them is long-range radar. A group of nine Senators, led by Mr. GREEN, of Rhode Island, is working to increase by \$5 millions the Weather Bureau appropriation now before the Senate. This would cover a 5-year program to provide for 55 new storm-detection radar stations—25 less than expert testimony showed are needed. The tornado record, as well as that of hurricanes, dramatically underlines the urgency of this increase.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. GREEN], for himself and other Senators.

The amendment was agreed to.

Mr. HOLLAND. Mr. President, if the Senate will return to the one committee amendment remaining, I think I will be able to explain it briefly.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the top of page 17, the committee proposes to insert the following:

Vessel operations revolving fund: Hereafter the vessel operations revolving fund, created by the Third Supplemental Appropriation Act, 1951, shall be available for necessary expenses incurred, in connection with protection, preservation, maintenance, acquisition, or use of vessels involved in mortgage-foreclosure or forfeiture proceedings instituted by the United States, includ-

ing payment of prior claims and liens, expenses of sale, or other charges incident thereto; for necessary expenses incident to the redelivery and lay-up, in the United States, of ships now chartered under agreements which do not call for their return to the United States; for payment of expenses of custody and husbanding of Government-owned ships other than those within reserve fleets; and for payment of expenses of emergency repairs of ships in reserve fleets: *Provided*, That said fund shall be credited with all receipts from charter of Government-owned ships under the jurisdiction of the Secretary of Commerce.

Mr. WILLIAMS. Mr. President, I think the amendment on page 17, line 1, is legislation on an appropriation bill. I make a point of order against it.

Mr. KNOWLAND. Mr. President, will the Senator from Delaware withhold his point of order at least to allow the Senator from Florida to make an explanation as to why the Senate Committee on Appropriations thought it was advisable to submit the amendment to the Senate?

Of course, notice was given under the rule that a motion would be made to suspend the rule. But I think it would be for the benefit of the Senate, while a large number of Senators are present, to permit the Senator from Florida to make a brief explanation of the amendment. After that, the Senator's point of order could be raised, and a motion could be made to suspend the rule.

The PRESIDING OFFICER. The point of order is well taken.

Mr. HOLLAND. The Senator from Florida has given the requisite notice on this amendment. I move that the rule be suspended, and that the amendment be considered notwithstanding the rule.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

Mr. WILLIAMS. Mr. President, an explanation of the amendment would be proper, would it not?

The PRESIDING OFFICER. Yes.

Mr. HOLLAND. I shall be glad to make an explanation. I thought I would be given the courtesy of doing so before the point of order was raised.

Mr. WILLIAMS. I was willing to withdraw it, but the Chair had ruled. I think we should have an explanation of the item.

The PRESIDING OFFICER. The Senator from Florida may make his explanation.

Mr. HOLLAND. The full explanation will appear on pages 185 and 186 of the committee hearings, if anyone wants to read it in detail. In brief, the explanation is that the Bureau of the Budget requested new words in the law to make the revolving fund now set up and operated by law applicable to ships of the United States which are recovered under foreclosure—that is ships which have been sold subject to mortgage, and the mortgage later foreclosed—so that the ships may come back to the Federal Government.

The revolving-fund provision as now written does not allow the funds to be used as to recaptured ships. The new wording was requested by the Bureau of the Budget, so far as I know, without opposition. It is designed to let the re-

captured ships take their place in the reserve fleet, where advantage of the revolving fund may be taken.

Mr. WILLIAMS. What concerns me is the language:

Provided, That said fund shall be credited with all receipts from charter of Government-owned ships under the jurisdiction of the Secretary of Commerce.

It seems to me that is directing the funds of the Government from the charters into what can be a perpetual revolving fund, and was not explained by the Senator from Florida.

Mr. HOLLAND. All I can say with respect to that is that some of these ships are chartered from time to time, just as reserve-fleet ships are chartered. The Senator has referred to lines 15, 16, and 17, on page 17 of the bill. It was to make it clear that the money received by the Government from the charter of these recaptured ships was applicable to the revolving fund, just as if the ships were out of the original reserve fleet.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida to suspend the rule.

The motion was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment on page 17, beginning at line 1.

The amendment was agreed to.

The next amendment was on page 17, after line 17, to insert:

Inland Waterways Corporation (administered under the supervision and direction of the Secretary of Commerce): Not to exceed \$14,000 shall be available for administrative expenses to be determined in the manner set forth under the title "General expenses" in the Uniform System of Accounts for Carriers by Water of the Interstate Commerce Commission (effective January 1, 1947).

The amendment was agreed to.

REPLY TO CRITICISM OF SENATOR JOHNSTON OF SOUTH CAROLINA

Mr. LANGER. Mr. President, most Senators are familiar with attempts of private individuals to scare or intimidate Senators. Sometimes that is done by individuals, and other times by organizations clothed under high-sounding names.

Today I wish to bring to the attention of the Senate such an instance by a commission which, by innuendo, insinuation, and almost by direct accusation, is an attack on the distinguished senior Senator from South Carolina, Senator OLIN D. JOHNSTON, and myself.

As far as I am personally concerned I have, during my years of holding public office, gotten so used to being called ugly names and charged with perhaps uglier crimes, that it is like pouring water on a duck's back; but I am very much concerned with the attack on one of the most distinguished Members of this body, Senator JOHNSTON of South Carolina, whose outstanding record in behalf of the poor, the oppressed, the underprivileged, the humble, and the moneyless, has won for him the high esteem and warmest admiration, I believe, of practically every Senator in this body.

The record of Senator JOHNSTON as a friend of the underdog needs no elaboration from me. It is his hundreds of acts as a public official of South Carolina, including his years as governor of that State, and his record for the blind, the crippled, the aged, and the shell-shocked veterans, which will stand as a monument to him long after he shall have passed into the Great Beyond.

This latest attack on Senator JOHNSTON, by the so-called Kansas City Crime Commission—a copy of which attack was mailed to every one of the Senators and to the 435 Members of the House of Representatives, in my opinion, was inspired by those who would seek to destroy the usefulness of this distinguished man in this body.

It is an attack cloaked in deceit, and more insidious than if a thug had sneaked up on him in the dead of the night and stabbed him in the back. The attack is more reprehensible because it is an obvious effort to deter every Senator upon this floor from doing his duty as a Senator—an attack to deter a fearless Senator from living up to his oath of office.

This attack on the Senator from South Carolina [Mr. JOHNSTON] is one of the most horrible examples of attempted political assassination that I have seen during the 15 years that I have been a Member of this body, and it is to lay bare this despicable attempt to wreck a good man that prompts me to speak to my colleagues, and particularly to the people of South Carolina, and indirectly to the people of North Dakota. The terrible cunningness of the conspiracy to wreck a career of which any one of us might well be proud.

Senator JOHNSTON and I are members of the Judiciary Committee of the United States Senate. It is a committee that passes on roughly 54 percent of all the bills introduced in the Congress. It is a committee to which any citizen, no matter how humble, or regardless of race, color, or creed, is entitled to petition, under the Constitution of this country.

We have in this committee various subcommittees. One of these is the standing subcommittee on immigration. During the course of the year, some thousands of private immigration bills are introduced. The whole Judiciary Committee, acting through the Subcommittee on Immigration, which, during the years in which I was chairman thereof, passed upon thousands of private bills dealing with immigration and deportation.

In the course of his duty, there was presented to Senator JOHNSTON, the case of Nicolo Impestate. Due to the fact that I had been chairman of this committee, Senator JOHNSTON brought this case to my attention, with the result that a private bill was introduced to stop the deportation of this man.

I have never met Mr. Nicolo Impestate, nor his lawyer, nor any friend of his, and no one else has ever talked to me about this case except Senator JOHNSTON. Senator JOHNSTON stated to me at that time that he had not met him, but that the case had been brought to his atten-

tion by the assistant United States attorney who prosecuted Mr. Impestate.

Now, as every Senator upon this floor knows, the Judiciary Committees of the House and Senate have made provision whereby any attempt to stop deportation of any individual is thoroughly and effectively screened.

When a bill is introduced to stop deportation, the bill is introduced in either the House of Representatives or in the Senate, and there it is referred by the Presiding Officer, generally upon the advice of the Parliamentarian, to the Judiciary Committee. The chairman of the Judiciary Committee, through his staff, then refers it to the appropriate subcommittee; and all private immigration bills are referred to the Subcommittee on Immigration of the Judiciary Committee.

This subcommittee, upon the application of any person, gives due notice to the Immigration Department, and to all others interested in a public hearing. Thereafter, the action of the subcommittee is referred to the full Committee of the Judiciary, where any one of the 15 Senators composing that committee is given every opportunity for debate and for bringing to the attention of the full committee any protests registered by anyone, including the Attorney General, any of his assistants, the Department of State, the Commissioner of Immigration and Naturalization, or any of his deputies, or anyone else, and the entire file of the person about to be deported is made available to the full committee of 15 Senators.

At this hearing of the full committee, any Senator can ask for a yea-and-nay vote. If a majority of the full committee vote against deportation, the bill will go to the floor of the Senate, where again there is opportunity for unlimited debate.

Any one of the 96 Senators can present any arguments for or against the bill. Any Senator can produce any evidence, written or oral, against the passage of this bill that may have been brought to his attention. He can read any letter, any telegram, or other matter. If the bill is passed, it then will go to the House of Representatives.

In the House of Representatives, the entire procedure I have just outlined as having taken place in the Senate Judiciary Committee will be repeated before the Judiciary Committee of the House, including proceedings before the subcommittee, the full committee, and again before the 435 Members of the House, any one of whom can object to the bill and can state publicly his reasons therefor.

In all the hearings, the Commissioner of Immigration has an opportunity to be heard. The Commissioner of Immigration, with the millions of dollars available to him, and a large staff of investigators always consulted, always makes a written report to the subcommittee, which report in turn is sent to the full committee, and which in turn goes to the President of the United States.

The President of the United States has expert advice from the Bureau of

Immigration, and as all of us know, either signs the bill or vetoes it. For instance, last week the President vetoed the Kurt Glaser bill on the ground that Glaser was an exchange student; and, as the President so clearly stated, he did not wish the exchange of students to be interfered with by having the foreign students stay in this country, when the entire theory of exchanging students was to have the students from foreign countries return to their native lands.

All this procedure is being followed in the Nicolo Impestate case. The Senator from South Carolina [Mr. JOHNSTON] introduced a bill dealing with that case, and I was a cosponsor of the bill. Then, without writing to or in any way contacting either Senator JOHNSTON or myself, the so-called Kansas City crime commission rushed a statement into the newspapers, in an obvious attempt to discredit Senator JOHNSTON and myself; and the cry was heard that Impestate was a well-known dealer in dope and other narcotics, who had been convicted in the courts; and that when the United States attempted to deport him, a bill was introduced to stop the deportation of this arch criminal.

What are the facts in the Impestate case? Mr. Impestate, with thousands of others, entered the United States illegally in the year 1924, 31 years ago. Apparently he had a good record in this country until he was indicted by the Federal grand jury in Kansas City, Mo., on April 1, 1942, for violation of the Federal narcotics laws. On November 4, 1942, he entered a plea of guilty; and on April 14, 1943, Federal Judge Albert L. Reeves sentenced him to 2 years' imprisonment. In the indictment he was specifically charged with concealment and facilitating the concealment of approximately 66 ounces of a narcotic drug, knowing at the time of concealment that they had been imported into the United States contrary to the law.

The records show that Mr. Impestate served 18 months and 60 days of the sentence, and that he was released from the institution, on a conditional release, on November 19, 1944.

In other words, he apparently made a good record in the penitentiary, and received the usual "time off" for good behavior there.

Mr. President, I know nothing about the facts in connection with the commission of this crime. Mr. Impestate may have been directly or indirectly involved. He may have been the moving spirit of he may merely have been associated with the higher-ups. But there is one person who knows all the facts, and that is the United States attorney who prosecuted him.

Mr. Impestate was released from the penitentiary on November 19, 1944, nearly 11 years ago. Apparently his record since that time has been good; or it may not have been good. In any event, the Immigration Department waited nearly 11 years before taking any steps to deport him; and it was at that point that Senator JOHNSTON interceded in the case. He did so at the request of people who believed that Mr. Impestate was not treated fairly.

Apparently during the 31 years of his residence in this country, aside from this one matter in which he became involved, Mr. Impestate's record has been good; and apparently in Missouri there are folks who believe that in matters of this kind, justice should be done.

It may be that Mr. Impestate has married an American girl, it may be that he has a large family, and that these innocent people would be vitally affected by the deportation of the husband and the father to a foreign country which he left 31 years ago. The innocent wife and children would then be without a husband and a father, and the family would be broken up; or they would accompany him to a foreign country, where they would not know a soul.

When the deportation proceedings were instituted the assistant United States attorney who prosecuted him before Judge Reeves was—and still is—the prosecuting attorney for Kansas City, Mo., and when he saw that Senator JOHNSTON and I had introduced his bill that attorney, in order to get all the facts; on May 6, 1955, wrote a letter to Senator JOHNSTON.

Mr. President, I hope all Senators will listen carefully, for I am about to read a letter from the assistant United States attorney who prosecuted this man. The letter reads as follows:

PROSECUTING ATTORNEY'S OFFICE,
Kansas City, Mo., May 6, 1955.

HON. OLIN JOHNSTON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR JOHNSTON: I am writing you this letter because I have heard that you have been criticized for having introduced Senate bill 212 to stay deportation of certain individuals who have been in this country for many years and who now it is proposed to deport and return to the country of their origin.

I have never believed in the promiscuous deportation of people who have entered this country. Partly because originally this country opened its doors to the oppressed of all the countries of the Old World to provide them new homes and new opportunities. We all know that the percentage of good and bad people of whatever nationality or racial origin runs about the same. I have felt for a good many years that persons who perhaps are unjustly prejudiced against people of certain European derivation are trying to get control of the machinery of immigration and unfairly to discriminate against the admission of certain people to this country and to bring about the deportation of others.

I enclose the carbon of a letter which I wrote to the Honorable Attorney General of the United States on September 24, 1954, protesting the movement to deport a man named Nicolo Impestate.

I handled the prosecution against him while I was in the office of the United States attorney for the Western Judicial District of Missouri. As agent and attorney for the United States with the full knowledge and concurrence of that Bureau of the Treasury Department which was concerned with his prosecution and with the full knowledge of the then United States attorney and of the senior United States judge for the Western Judicial District of Missouri, we gave him definitely to understand that if he entered a plea of guilty of the charge pending against him that there would be a recommendation of no deportation made to the judge before whom his plea of guilty was received. We did make that recommendation to the judge and the judge in turn made such order and

forwarded the same to the office of the United States Attorney General.

At the time I wrote the letter, a carbon of which I am sending you with this letter I strongly felt and still feel that as a matter of honor the Government is bound by the representations made to Mr. Impestate and if he is included in your Senate bill 212 you certainly have the liberty, as far as I am concerned, to use this letter and the carbon enclosed in any manner you deem proper.

Very respectfully yours,

RICHARD K. PHELPS,
Prosecuting Attorney.

Mind you, Mr. President, that letter comes from the man who prosecuted the person who now, if the present attempt is successful, will be deported.

With that letter, written on May 6, 1955, he enclosed a letter dated September 24, 1954, to the United States Attorney General, which is as follows:

SEPTEMBER 24, 1954.

UNITED STATES ATTORNEY GENERAL,
Department of Justice Building,
Washington, D. C.

SIR: As an assistant United States attorney from 1934 to 1943 I was in charge of the prosecution of Nicolo Impestate in a suit involving illicit traffic in narcotics.

Mr. Impestate was one of a group of defendants, many of whom were tried and convicted, and Mr. Impestate entered a plea of guilty. We were morally certain that the defendant was guilty of the crime charged but as I recall our evidence was not very convincing.

While we did not bargain for the plea of guilty, yet our office did recommend to Judge Reeves, and we agreed with counsel for the defense for such recommendation, that the defendant not be deported for such violation, mainly for the reason that we did not believe in deportation as a punishment for the crime.

I have not checked the record for the purpose of ascertaining if the judge did actually make such recommendation to your office, but I do recall distinctly requesting such recommendation to be made.

I have no personal interest in this defendant and have not seen him since the trial. I have been advised, however, of the pending matter by his lawyer, Mr. James Daleo, for whom I have a high respect, but I am not writing this letter for him or for his attorney, but simply as a matter of keeping faith with the defendant, something which I always endeavored to do while I was in the Attorney General's Office. The Treasury Department knew, and the judge knew, that we were recommending no deportation order for this man, and I have always felt the Government of the United States is great enough to be able to afford to keep faith completely with any defendant, however lowly or humble shall be his station.

I have read that the question of his deportation is pending and, as I understand it, for this conviction, and I felt in honor bound to advise you of the facts of this case.

Very respectfully yours,

RICHARD K. PHELPS.

I repeat, Mr. Phelps is now the prosecuting attorney in Kansas City.

Thereafter, on confirmation of the letter received from Richard K. Phelps, prosecuting attorney, Senator JOHNSTON secured a photostatic copy of the order of the Federal Court Judge Albert L. Reeves, when he sentenced Mr. Impestate. That order is as follows:

IN THE DISTRICT COURT OF THE UNITED STATES
OF AMERICA FOR THE WESTERN DISTRICT OF
MISSOURI, WESTERN DIVISION

UNITED STATES OF AMERICA, PLAINTIFF, VERSUS
NICOLÒ IMPESTATO, DEFENDANT—NO. 15377

Order

Whereas Nicolo Impestate, in the above-entitled cause, has heretofore been convicted of the violation of section 174, title 21, United States Code Annotated, and sentenced to imprisonment for a term of 2 years; and

Whereas the court at the time of passing said sentence, due notice having been given to representatives of the State, indicated that he would make a recommendation to the Attorney General pursuant to section 155, title 8, United States Code Annotated, that the said Nicolo Impestate be not deported; and

Whereas the court has on this day, due notice having been given to the representatives of the State, forwarded a recommendation of no deportation as to Nicolo Impestate pursuant to section 155, title 8, United States Code Annotated.

Now, therefore, it is ordered by the court that the clerk enter upon the records of this cause a note to the effect that such a recommendation of no deportation has been made.

ALBERT L. REEVES,
Judge.

Here we have a case in which this man, in all probability, was only directly involved in this narcotics matter. He pled guilty with a specific understanding on the part of the prosecuting attorney and on the part of the judge that there was no deportation order; and every one of us knows that a promise made to a defendant in a criminal case should be sacredly kept.

This man may have been technically guilty. He may have been without funds to fight his case all the way through to the Supreme Court of the United States, there may have been a variety of reasons why he chose to plead guilty rather than stand trial. Why should any Commission oppose an unbiased investigation?

In any event, here was a promise made by the Government of the United States, and if the Government will not keep its word, how can that Government expect any citizen of the country to do so? In any event, all that Senator JOHNSTON and I requested was that the proper committees of the Senate investigate, that witnesses be called under oath, and that the question, after going through the subcommittees and full committees of both the House of Representatives and the Senate, be finally determined by the Congress of the United States and by the President.

I ask, is not this the reason we have Judiciary Committees? Is not this constitutional right given to any man to petition as provided under the Constitution of the United States?

This man was deportable; and there is nothing that any court can do but deport him unless the Congress intervenes.

The functions of the Congress, the judiciary, and the executive, are entirely distinct under our system of Gov-

ernment. The courts have their duty to perform, and so has the Congress. That duty should be performed impartially, as Senator JOHNSTON endeavored to perform it without fear or favor, by submitting the case to the proper committees for any action they might consider proper.

However, without anyone writing to either Senator JOHNSTON or myself as to why the bill was introduced, big blazing headlines appeared in the press of South Carolina which are antagonistic to him.

For anyone in politics in South Carolina to have certain newspapers against him is an honor.

As I have said on other occasions upon the floor, as long as I am in the Senate, I shall continue to do my duty as I see it, as I know Senator JOHNSTON will do his duty.

The newspapers of South Carolina will not be able to scare him, or bulldoze him, or deter him from doing his duty.

To show what a lying article can do, I wish to quote a letter which I have received from Mr. V. Haney, St. Louis, Mo., in which he asks me to resign as a United States Senator because I was one of the cosponsors of this bill.

That is what the newspapers can do with their lying headlines. I suppose that every Senator on one occasion or another has had to face that kind of unscrupulous attack. The letter reads as follows:

St. Louis, Mo., June 5, 1955.

HON. WILLIAM LANGER,
United States Senate,
Washington, D. C.

DEAR SIR: How anyone could possibly be instrumental in introducing a bill to stay the deportation of a dope peddler is beyond the imagination.

Our laws insofar as they pertain to punishment of narcotic violations are laws passed by sissies. The death penalty should be passed on all narcotic peddlers that are convicted.

There is not one shred of excuse for such a person even existing and causing all the misery and corruption they accomplish with their filthy traffic.

I would suggest you read up on the narcotic laws of Turkey. Put more teeth in the law.

If you continue to sponsor this bill I don't see how you can look your family, your constituents or any citizen in the face. If you can't in good conscience uphold the laws of the United States then you should resign from the United States Senate.

Yours truly,

V. HANEY.

The letter is typical of many similar letters I have received because of adverse publicity in this case that has been broadcast all over the United States. The distinguished Senator from South Carolina [Mr. JOHNSTON] tells me he has received similar letters, indeed, many, many letter of criticism—and all for doing his duty. All Senators who have known Senator JOHNSTON, as many of us have from our many years of association with him, know his fearlessness, his integrity, and his almost inarticulate desire to do what is right, and we know that

this highly religious man, able and competent as he is, will continue to do his duty and that the people of South Carolina will not let the champion of the underdog in that State down.

When they realize the true facts in this case, when they become acquainted with the facts, they will rally behind him as a fearless friend of the underdog.

Every one of us has his faults, every one of us makes mistakes in life, but it can be said of Senator JOHNSTON that any mistakes he has made have been those of the head and not of the heart, and that when he does make a mistake he is the first to admit it.

The people of South Carolina know that, but I want publicly to pay tribute to this outstanding man, with whom I have been associated these many years on the floor of the Senate. He comes from the integral part of the South, while I come from the great Northwest. He is a Democrat, while I am a Republican, but I think we will all agree that when a dirty, underhanded, sneaky attempt is made to discredit a splendid public servant, we in this body are neither Democrats nor Republicans, but Americans doing our duty under the sacred oath and obligation we take when we enter this chamber.

I brand as contemptible the article published by the Kansas City Crime Commission, a copy of which was mailed to every Senator and every Representative, attacking a distinguished colleague of ours. They did it without writing or sending a telegram to any one of us who have introduced such bills. I have introduced private bills affecting thousands of people. I have introduced private bills for people of every nationality, and I certainly propose to keep on doing it. I do not know of a Senator who at one time or another has not introduced private bills. Certainly it is the duty of a Senator, when he feels that under circumstances such as I have named, where a man is married to an innocent woman and has a large family, and has been away from his country of origin for 30 or 40 or 50 years, to introduce that kind of bill.

Such a bill must go to the subcommittee, then to the full committee, and then must come to the floor of the Senate. Then it goes to the subcommittee of the House committee, and then to the full committee of the House. Then 435 Members of the House of Representatives must pass on it. Finally the bill goes to the President. The President calls for a report from the Commissioner on Immigration.

Therefore when I read some of these screaming headlines wrongfully accusing the Senator from South Carolina, I do not intend to sit idly by. In North Dakota the people do not pay any attention to such charges against me. I have been smeared so often they do not bother reading about them. However, in the South, some people may not have the same knowledge about Senator JOHNSTON. Therefore, as a former chairman of the Committee on the Judiciary I feel it my duty to rise on the floor today and publicly denounce a disgraceful and shameful attempt on the part of

the Kansas City Crime Commission to wreck the career of this distinguished man.

Mr. JOHNSTON of South Carolina. I thank the Senator from North Dakota for bringing to the attention of the Senate some of the facts in this case. I have not become excited over it. I do not intend to become excited over it. I introduced the bill at the request of several people, and I have no apologies to make to any man or group of men. I thank the Senator from North Dakota.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1956

The Senate resumed the consideration of the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 6367) was read the third time and passed.

Mr. HOLLAND. Mr. President, after the termination of the hearings by the subcommittee, but too late to include in the printed record of the hearings, the subcommittee received several communications from Senators and others. We have explained to the Senators the reason why their communications could not appear in the hearings. In order that they may appear in the CONGRESSIONAL RECORD, I ask unanimous consent that the communications may be printed in the RECORD immediately following the vote on the bill.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
June 8, 1955.

HON. SPESSARD L. HOLLAND,
Chairman, Commerce Subcommittee,
Committee on Appropriations,
United States Senate,
Washington, D. C.

DEAR SPESSARD: I understand that your subcommittee is scheduled to mark up H. R. 6367, dealing with Commerce Department appropriations, this afternoon. I regret that time does not permit me to make a fuller statement of my concern regarding portions of that bill before your subcommittee; however, I do want you to know the disadvantages and possibly dangerous results that would ensue from the proposed closing of airways communications stations at Drummond, Livingston, and Whitehall, Mont.

As you know the CAA, operating under budget ceilings, did not request funds for continued operation of about 30 stations, including those mentioned in Montana. That is not to say that these stations are not necessary for safe instrument flying. I was told this morning by CAA officials that closing of these admittedly useful Montana stations could well impair flying service in Montana. My State, being remote, relies heavily on air transportation, and the rugged terrain and frequently inclement weather in the State necessitates frequent recourse to instrument flight rules. Veteran Montana airmen have soberly informed me

that continued operation of the airways communications stations at Drummond, Livingston, and Whitehall are vital to the safety of aircraft using Federal airways in my State.

It is my understanding that the House cut the CAA's modest request by \$3 million, and that restoration of that \$5 million, plus appropriation of an additional \$1 million to provide for continued operation of the 30 stations not provided for in the CAA request, will probably be necessary in order to provide for continued operation of the Montana stations. I would like to state emphatically my opinion that appropriation of this additional \$4 million is warranted.

Senator JAMES E. MURRAY, who is presently absent on official business, wishes to associate himself completely with my views. I shall deeply appreciate such consideration as your subcommittee gives our views.

With best personal wishes, I am,

Sincerely yours,

MIKE MANSFIELD.

JUNE 7, 1955.

HON. SPESSARD L. HOLLAND,
Chairman, Subcommittee on Appropriations for the Department of Commerce, United States Senate, Washington, D. C.

DEAR SENATOR HOLLAND: I was astonished to learn that the Weather Bureau has never received an appropriation to purchase radar weather observing equipment. I did not know that the meager equipment it now has was salvaged from excess stocks of airborne radar equipment not even designed to detect, track, and analyze severe weather phenomena.

It was therefore very disappointing to me when the Weather Bureau's modest request for \$10 million for the establishment of facilities, including the installation of storm detection radar equipment at 55 stations, was reduced to half that amount by the Bureau of the Budget.

My interest in this appropriation request stems from the fact that Oklahoma lies in the center of the tornado belt, and the fact that radar equipment has proven especially effective in detecting and tracking tornadoes, which advance at speeds of from 20 to more than 50 miles an hour.

Oklahoma is one of the States especially subject to tornadoes. During the period from 1915 to 1949, Oklahoma suffered 664 fatalities as the result of tornadoes, while during the same period nationwide there were 7,961 deaths, about 10 times that number of injuries, and property damage that cannot even be estimated. These figures, of course, do not include the tornadoes that have occurred since 1949 or those of last month which took more than 100 lives in Oklahoma and Kansas alone.

The Weather Bureau estimates that 85 modern radar stations are needed to detect, track, and analyze severe weather phenomena such as tornadoes and hurricanes. Approval of the original \$10 million request would have enabled the Bureau to equip 55 of the 85 needed stations with radar. As reduced to \$5 million by the Budget Bureau, and approved by the House, only 12 stations can be equipped. By increasing the figure to \$10 million, 43 more stations could be equipped, and I strongly urge that the amount be so increased.

It is an established fact that in cases where the Weather Bureau has been able to give timely warnings of approaching storms, deaths have been reduced. As an example, in 1947 a tornado was detected at least half an hour before it struck the town of Leedey, Okla., and a warning was flashed to the community. Although two-thirds of the town was demolished, there were only six fatalities.

The Weather Bureau's severe weather warning system must be expanded and im-

proved. We know that we will experience destructive tornadoes and hurricanes again, and we know that as yet we have no means of controlling or directing them. But we also know that with instantaneous distribution of warnings, the loss of life can be virtually eliminated and damage to property materially reduced.

The House has approved an additional \$2,250,000 for the Weather Bureau, and a request is pending in the Senate to increase that amount to \$5 million which, as I understand it, would be used exclusively for an emergency hurricane warning system.

I certainly do not wish in any way to minimize the urgent need for improvement of the hurricane warning system, but I do wish to emphasize that the same urgency exists with respect to the tornado warning system. The fact that different sections of the country are subject to different types of severe weather does not, in my opinion, make any section more or less entitled to protection than the others.

I firmly believe that the Weather Bureau could use considerably more than the \$5 million being requested in the Senate to improve the hurricane warning system, but I do not feel that the other parts of the country subject to severe weather should be penalized by earmarking for that exclusive purpose any funds which may be appropriated.

I also wish to strongly endorse the request for an initial appropriation of \$1 million for severe weather research. The Weather Bureau has long been handicapped by inadequate instrumentation and facilities for the collection, reduction, and analysis of data on severe weather disturbances. Approval of the request for \$1 million will permit the Bureau to begin a research program in cooperation with colleges and universities, which would carry on the fringe aspects of data reduction and analysis, thus freeing the experts from time-consuming detail and permitting them to devote their efforts to only the most important aspects of the problem.

The sooner we undertake the research necessary for improving forecasts of severe weather, the sooner we can begin to reduce the terrible toll of life and property inflicted upon us by these violent disturbances.

Very truly yours,

MIKE MONRONEY.

UNITED STATES SENATE,

Washington, D. C., June 8, 1955.

HON. SPESSARD L. HOLLAND,
Chairman, Subcommittee on Commerce and Related Agencies, Senate Appropriations Committee,
Washington, D. C.

DEAR SPESSARD: In your consideration of H. R. 6367, the appropriation bill for the Department of Commerce, this afternoon, I should like to bring to your attention and respectfully ask for consideration the following:

While this bill was on the floor of the House, Representative FOGARTY, of Rhode Island, offered an amendment, which was passed, to add \$2,250,000 above the budget figure for the purpose of reactivating certain Weather Bureau stations.

Sometime ago the Weather Bureau station at Erie, Pa., which is in a particularly vital weather area, Erie being a major port of the Great Lakes, was deactivated, as I understand it, in a reorganization for budgetary reasons. Since that time the citizens of Erie and the meteorologists and climatologists concerned have repeatedly expressed their apprehension to me on the absence of this station.

It is my understanding that it is contemplated that if the Senate Appropriations Committee approves the House bill and it is passed finally in the present increased sum that the Weather Bureau station at Erie, Pa., will be reactivated.

I sincerely hope that your committee will approve the bill, and that some appropriate action may be taken by your committee to assure reactivation of the Weather Bureau station at Erie.

With kind regards, I am,

Very sincerely,

EDWARD MARTIN.

AMERICAN METEOROLOGICAL SOCIETY,

Boston, Mass., June 6, 1955.

The Honorable CARL HAYDEN,

United States Senate,

Washington, D. C.

DEAR SENATOR HAYDEN: It has come to our attention that the Appropriations Committee is now considering the appropriations for the coming fiscal year for the Weather Bureau of the Department of Commerce. The American Meteorological Society has a membership of over 5,000, and is the professional meteorological society of this country. At its meeting in New York City in January of this year the council of the society considered at length the question of severe storms, such as tornadoes and hurricanes, that cause such tragic losses of life and property. We felt that you would be interested in reading about the following actions taken by the council at that time.

Voted, that the council recognizes deficiencies in the state of our knowledge of severe storms, particularly tornadoes and hurricanes, and strongly endorses an increased research effort in this area.

Voted, that a new committee be appointed to promote research on severe storms through the holding of symposia, the sponsoring of monographs or other publications, and by any other suitable means.

Voted, that in view of the great losses of life and property suffered by our citizens from the destructive action of tornadoes and hurricanes, the American Meteorological Society recommends that special funds be appropriated to enable the United States Weather Bureau, in cooperation with other public and private agencies, to conduct research projects on tornadoes and on hurricanes, along the lines of the successful thunderstorm project of several years ago.

You will note that we have stressed the need for research into the causes and behavior of hurricanes and tornadoes. Although we agree that an expanded observational and warning system is required, we wish to emphasize our opinion that more basic knowledge is required for the proper utilization of an expanded observational and warning network. Even the best warning system is only as effective as the forecast of the severe storm.

The society is extremely appreciative of the careful study you are giving to the protection of our citizens from these destructive acts of nature. With your support the meteorological profession will strive to develop improved methods of forecasting, and even of modifying destructive storms.

Sincerely,

HENRY G. HOUGHTON,
Secretary.

DENVER, COLO., June 3, 1955.

The Honorable EUGENE D. MILLIKIN,

Senate Office Building,

Washington, D. C.

Urge your support of amendment to House appropriation bill for grants-in-aid to airports. Imperative that original request of \$100 million be granted in line with assurances given cities in years past. Lesser sum insufficient when spread over 48 States.

Program has been virtually at standstill for several years. Airports so closely tied to both national and civil defense that passage of appropriation as amended is vital.

QUIGG NEWTON, Mayor.

PUEBLO, COLO., May 19, 1955.

HON. EUGENE D. MILLIKIN,

Senate Office Building,

Washington, D. C.

DEAR SIR: We in Pueblo have been working diligently and expensively, as you know, on our part of the bargain with the Federal Government to do our part in the development of adequate airport facilities. I am sure you are more fully aware than I of the need for good transportation facilities of all types in this region of great distances between population centers. It seems apparent that the city residents should not bear the entire load for our Nation's air facilities. Because this matter is so important nationally, and because it is only fair that all groups of our country should assist in financing it, we hope that you will assist in securing the requested appropriation of \$100 million as authorized by the Federal Airport Act of 1946.

Locally, we hope in the near future to develop our airport facilities further by the addition of a high intensity lighting system which will make for a much safer operation. This we could probably finance locally, if necessary. But as air transportation developments in this region, extensive expansion will be necessary and we cannot go it alone.

I hope you will agree that the air transport facilities of this Nation have a definite national scope and not conclude that we are more beggars at the Federal doorstep. As a member of Airport Sponsors Committee, and having followed this problem rather closely, I believe the \$100 million figure is realistic and one which the municipalities are willing to match in the interest of a progressively greater country.

Yours very truly,

FRED VOSS,

President, City Council of Pueblo.

Mr. HOLLAND. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HOLLAND, Mr. ELLENDER, Mr. KILGORE, Mr. MAGNUSON, Mr. STENNIS, Mr. CLEMENTS, Mrs. SMITH of Maine, Mr. BRIDGES, Mr. KNOWLAND, Mr. THYE, and Mr. POTTER conferees on the part of the Senate.

ADDRESS BY NATIONAL COMDR. SEABORN P. COLLINS, OF THE AMERICAN LEGION, BEFORE THE BRITISH EMPIRE SERVICE LEAGUE, LONDON

Mr. MUNDT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks an address delivered by National Comdr. Seaborn P. Collins, of the American Legion, before the biennial conference of the British Empire Service League, in London, England, on June 6, 1955, together with an article from the Washington Post and Times Herald of June 7, 1955, reporting the alleged rebuke which certain officials in Great Britain were said to have delivered against Commander Collins, and a newspaper statement which I issued in response thereto.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

ADDRESS BY NATIONAL COMMANDER SEABORN P. COLLINS OF THE AMERICAN LEGION BEFORE THE BIENNIAL CONFERENCE OF THE BRITISH EMPIRE SERVICE LEAGUE, LONDON, ENGLAND, JUNE 6, 1955

I am very happy to be here and to bring you the warmest personal greetings of 4 million American Legionnaires and Auxiliary members. They join me in wishing you a most successful and memorable conference.

This date, June 6, is one of the most significant in all history. On June 6, 1944, the Allied forces invaded the Continent. On that day began the final chapter in the bloodiest, costliest war of all time. The first chapter had begun on September 3, 1939. For more than 2 years you had stood virtually alone against the enemy, demonstrating courage and defiance such as the world had not before seen. In the words of one of the world's truly great statesmen, Sir Winston Churchill, it was your finest hour.

We know now that the fight for final victory was conceived in that hour. It reached its most decisive stage on D-day.

For you and me, for the British Empire Service League and the American Legion, for your country and mine, D-day has more than military and historical significance. It represents the perfection of cooperation between our nations in our mutual dedication to a common cause.

I realize, and so do you, that wartime conditions create a comradeship between men and nations that is difficult to achieve in peacetime. Yet the effectiveness of cooperation between our nations symbolized by D-day can be attained now and in the future because it has been attained—because it must be attained.

We have greater cause to be united in purpose and action today than we ever had in World War II. The godless tyranny of communism is an infinitely greater threat to our continued existence as free nations than existed even in the darkest hours of World War II.

It would be easier, of course, and perhaps more diplomatic to avoid any discussion of this issue today. Yet, I feel compelled to meet the issue head on at this time for two reasons.

First, it is the most critical problem now facing our respective nations and the entire free world. Secondly, I believe sincerely that men of different nations who fought together on the field of battle are courageous and mature enough to face up to reality.

The American Legion has some very positive, thoroughly considered views on this matter. Our views have no official status, of course. The American Legion does not speak for our Government, even though our thinking often suggest and reflects the Government's position. However, the American Legion's views are shared by substantial numbers of our fellow citizens. Our hopes and desires, and our convictions and resolutions are, in fact, the hopes and desires, the convictions and resolutions of many millions of Americans.

I think you can appreciate this. I hope that you will also appreciate this fact. As veterans who have known the death and destruction, and the suffering and sacrifice of war we share your fervent desire for peace. We want America and the other free nations of the world to be strong militarily so that they can preserve peace * * * lasting and honorable peace.

I reemphasize that the American Legion and the American people want peace, but not peace at any price. We believe that there are things worse than war. Certainly the loss of freedom and the right to live as dignified creatures of God would be worse than war.

The American Legion recognizes that our freedoms and our very lives are threatened by communism. We recognize, too, that the

Communist threat is fourfold—military, economic, political, and ideological—the fight for men's minds. It must be met by military, economic, political, and ideological means.

Each area is important. As veterans, however, we are most naturally concerned about the Communist military threat. The Communists' military capabilities depend to a great extent, of course, upon their economic strength. Therefore, the American Legion, in formulating a program which we believe will insure adequate defense against communism, has considered the economic factors influencing the Reds' military capabilities.

If I may I would like to tell you very briefly what the American Legion believes our countries and the other free nations of the world must do to forestall or defeat Communist aggression.

The American Legion believes that the only safe, sane policy which we can follow in any dealings with the Communists is to judge them solely on the basis of their performance rather than on their promises. The second premise on which our program is based is this: Appeasement will never stop aggression.

By their admission, the Kremlin-controlled forces of communism in Russia, China, and elsewhere throughout the world have but one, unchanging purpose; to bring every free nation and all free people under their domination and control.

We must not be deceived by Communist peace offensives. The Communists' tactics may change to meet changing conditions, but their basic purpose never changes.

You know this and you know, too, that you can't do business with a blackmailer. Once you start paying blackmail, you have to keep on paying. The demands for more and more money never end. Finally, when you can pay no more, the purpose for which you have paid is exposed and exploited.

The same holds true of appeasement. Call it by whatever name you will, trying to "buy off" an aggressor is just as futile and just as suicidal as trying to pay off a blackmailer.

You know this is true. You saw what happened at Munich in 1938. Hitler couldn't be appeased. He couldn't be stopped except by armed might. You had the courage and the intelligence to make the first stand against him * * * to tell him that there would be no more appeasement.

The American Legion feels that the free world today is faced with the same challenge which you met so boldly less than 16 years ago. The free world must exhibit the courage and intelligence to tell the Communist that there shall be no appeasement.

Russia had been stopped from overrunning Western Europe by the North Atlantic Treaty Organization. The rich industrial and agricultural resources of this area have not fallen into the hands of the Communists only because the free nations which make up NATO were united in giving the Kremlin the only kind of answer it understands: Force will be met with force. Aggression will be resisted. The free people of Western Europe, of the Empire and of America will not appease the Communists as the price for peace.

What we have done in Europe, we can and must do in Asia. This the American Legion firmly believes. In our opinion, Communist aggression must be resisted on every front or the money, material, and manpower spent in building up our defenses in Western Europe or in any other single area of the world will be completely wasted.

We must strengthen our defenses to repel what must be considered a very real possibility of Communist aggression against Formosa, South Viet-Nam, Malaya, Hong Kong, and all of southeast Asia. What steps must be taken to strengthen the free world's

defenses against the Red tide of communism in Asia?

In light of the Communists' record of performance, knowing that appeasement will not insure peace or preserve freedom, and addressing itself only to our own Government whose policies and actions are determined by us and by our fellow citizens, the American Legion believes that the United States must:

1. Resist any attack against Formosa and the strategic area surrounding it.

2. Refuse to recognize Communist China and refuse to permit the seating of Communist China as a member of the United Nations, for any purpose whatsoever.

3. Continue to demand the release of American airmen still imprisoned in Communist China. The release of four airmen last week is encouraging, of course. But this action does not necessarily mean that the other airmen will be released. We must continue to work for their release, through the United Nations, if possible, but through the use of every means available to the United States, if necessary.

Let me assure you that while the American Legion has limited its program to our own country simply because we would not presume to suggest what other governments should do, we believe sincerely that the program we recommend to prevent or defeat further Communist aggression in Asia would, if adopted by the other free nations of the world, serve their best interests.

We think that the methods which we have proposed are necessary and practical * * * not only for America but for all free nations which share our determination to fight for the preservation of freedom and human dignity.

These recommendations are not made lightly. They are made instead with full knowledge of America's continuing responsibility to do everything possible to preserve peace. We believe that these steps are much less likely to provoke war than a policy which would cause the Communists to miscalculate the free world's determination to resist aggression.

One final word on this problem of preserving freedom from Communist tyranny.

A moment ago I mentioned that economic considerations often directly influence the military picture. With reference to the Communist military threat, the American Legion strongly opposes the sending of any strategic materials to Red China or to any country behind the Iron or Bamboo Curtains. It seems to us unthinkable that any free nation would devote a large part of its manpower, monetary, and material resources to the building of adequate military forces for the defense against communism, and at the same time help the Communists increase their own military strength by selling or trading them strategic materials.

I'm sure you agree.

I wish that time permitted me to tell you even briefly of the American Legion's many programs on behalf of our veterans and all of our citizens. You may be certain that the Legion, in carrying out its pledge of service for God and country, is as dedicated as the British Empire Service League to the welfare and security of our Nation, our comrades in arms, and all of our citizens.

We feel that the American Legion and the British Empire Service League can work together closely for the benefit of veterans and ex-servicemen and for the military security of our respective nations. We can use our resources and experience to insure that our nations and our people will remain united in purpose and action so that we will be the strong, sure leaders which mankind needs if freedom and civilization itself are to be preserved.

Certainly this objective is worthy of the high ideals of the British Empire Service League and the American Legion. This ob-

84TH CONGRESS
1ST SESSION

H. R. 6367

IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 1955

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Commerce and related agencies for the fiscal year
6 ending June 30, 1956, namely:

7 TITLE I—DEPARTMENT OF COMMERCE

8 OFFICE OF THE SECRETARY

9 Salaries and expenses: For necessary expenses of the
10 Office of the Secretary of Commerce (hereafter in this title

1 referred to as the Secretary), including teletype news serv-
2 ice (not exceeding \$1,000) ; ~~(1)\$2,172,000~~ \$2,217,300.

3 BUREAU OF THE CENSUS

4 Salaries and expenses: For expenses necessary for col-
5 lecting, compiling, and publishing current census statistics
6 provided for by law; and for general administration, includ-
7 ing enumerators at rates to be fixed without regard to the
8 Classification Act of 1949, as amended; ~~(2)\$6,200,000~~
9 \$7,100,000.

10 Census of agriculture: For expenses necessary for taking,
11 compiling, and publishing the 1954 Census of Agriculture, as
12 authorized by law, including personal services by contract
13 or otherwise at rates to be fixed by the Secretary of Com-
14 merce without regard to the Classification Act of 1949, as
15 amended; and additional compensation of Federal employees
16 temporarily detailed for field work under this appropria-
17 tion; \$5,500,000, to remain available until December 31,
18 1956.

19 Censuses of business, manufactures, and mineral indus-
20 tries: For expenses necessary for taking, compiling, and
21 publishing the censuses of business, manufactures, and
22 mineral industries as authorized by law, including personal
23 services by contract or otherwise at rates to be fixed by the
24 Secretary of Commerce without regard to the Classification
25 Act of 1949, as amended; and additional compensation of

1 Federal employees temporarily detailed for field work under
2 this appropriation; \$4,000,000, to remain available until
3 December 31, 1957.

4 **(3)***Intercensal housing survey: For expenses necessary for*
5 *conducting an interim survey of housing, including personal*
6 *services by contract or otherwise at rates to be fixed by the*
7 *Secretary of Commerce without regard to the Classification*
8 *Act of 1949, as amended; and compensation of Federal*
9 *employees temporarily detailed for field work under this*
10 *appropriation; \$500,000.*

11 CIVIL AERONAUTICS ADMINISTRATION

12 Operation and regulation: For necessary expenses of the
13 Civil Aeronautics Administration in carrying out the pro-
14 visions of the Civil Aeronautics Act of 1938, as amended
15 (49 U. S. C. 401), and other Acts incident to the enforce-
16 ment of safety regulations, maintenance and operation of
17 air-navigation and air-traffic control facilities, and disposal
18 of surplus airports and administering instruments of disposal;
19 planning, research, and administrative expenses for carrying
20 out the provisions of the Federal Airport Act of May 13,
21 1946, as amended, including furnishing advisory services to
22 States and other public and private agencies in connection
23 with the construction or improvement of airports and landing
24 areas; developmental work and service-testing as tends to the
25 creation of improved air-navigation facilities, including

1 landing areas, aircraft, aircraft engines, propellers, appli-
 2 ances, personnel, and operation methods, and acquisition
 3 of sites for such activities by lease, or grant; purchase of
 4 not to exceed sixty-five passenger motor vehicles for replace-
 5 ment only; hire of aircraft (not exceeding \$370,000) ; opera-
 6 tion and maintenance of not to exceed eighty-five aircraft;
 7 fees and mileage of expert and other witnesses; and purchase
 8 and repair of skis and snowshoes; ~~(4)\$103,000,000~~ \$107,-
 9 125,000: *Provided*, That there may be credited to this appro-
 10 priation, funds received from States, counties, municipalities,
 11 and other public authorities for expenses incurred in the
 12 maintenance and operation of air-navigation facilities.

13 Establishment of air-navigation facilities: For an addi-
 14 tional amount for the acquisition, establishment, and im-
 15 provement by contract or purchase and hire of air-navigation
 16 facilities, including the initial acquisition of necessary sites
 17 by lease or grant; the construction and furnishing of quarters
 18 and related accommodations for officers and employees of the
 19 Civil Aeronautics Administration and the Weather Bureau
 20 stationed at remote localities not on foreign soil where such
 21 accommodations are not available; the initial flight checking
 22 of air-navigation facilities and the transportation by air to
 23 and from and within the Territories of the United States
 24 of materials and equipment secured under this appropriation;

1 ~~(5)\$18,500,000~~ \$16,000,000, to remain available until
2 expended.

3 Establishment of air-navigation facilities (liquidation
4 of contract authorization): For liquidation of obligations
5 incurred under authority heretofore granted under this head
6 to enter into contracts, \$7,000,000.

7 Grants-in-aid for airports: For project grants author-
8 ized by the Federal Airport Act, as amended, to remain
9 available until June 30, 1958, \$20,000,000, of which (1)
10 \$19,650,000 shall be for projects in the States in accordance
11 with section 6 of said Act, (2) \$100,000 for projects in
12 Puerto Rico, (3) \$50,000 for projects in the Virgin Islands,
13 (4) \$100,000 for projects in the Territory of Hawaii, and
14 (5) \$100,000 for projects in the Territory of Alaska: *Pro-*
15 *vided*, That the unexpended balances of appropriations
16 previously made under the head "Federal-aid airport pro-
17 gram, Federal Airport Act," shall hereafter be merged with
18 and accounted for under this head.

19 Federal-aid airport program, Federal Airport Act
20 (liquidation of contract authorization): For liquidation of
21 obligations incurred under authority heretofore granted
22 under this head to enter into contracts, \$7,500,000.

23 Maintenance and operation, Washington National Air-
24 port: For expenses **incident** to the care, operation, main-

1 tenance and protection of the Washington National Airport,
 2 including purchase of one passenger motor vehicle for
 3 replacement only; purchase, cleaning, and repair of uniforms;
 4 and arms and ammunition; ~~(6)\$1,350,000~~ \$1,415,000.

5 Construction, Washington National Airport: For an addi-
 6 tional amount for "Construction, Washington National Air-
 7 port", including construction, alterations, and repairs.
 8 \$525,000, to remain available until expended.

9 Maintenance and operation of public airports, Territory
 10 of Alaska: For expenses necessary for the maintenance,
 11 improvement, and operation of public airports in the Terri-
 12 tory of Alaska, as authorized by law (48 U. S. C. 485 c-h) ;
 13 including arms and ammunition; and purchase, repair, and
 14 cleaning of uniforms; ~~(7)\$600,000~~ \$750,000.

15 Air navigation development: For expenses necessary
 16 for planning and developing a national system of aids to
 17 air navigation and air traffic control common to military and
 18 civil air navigation, including research, experimental investi-
 19 gations, purchase and development, by contract or otherwise,
 20 of new types of air navigation aids (including plans, specifi-
 21 cations, and drawings) ; hire of aircraft; acquisition of neces-
 22 sary sites by lease or grant; payments in advance under
 23 contracts for research or development work; and not to
 24 exceed ~~(8)\$50,000~~ \$175,000 for administrative expenses;
 25 ~~(9)\$1,050,000~~ \$1,600,000.

CIVIL AERONAUTICS BOARD

Salaries and expenses: For necessary expenses of the Civil Aeronautics Board, including contract stenographic reporting services; employment of temporary guards on a contract or fee basis; salaries and traveling expenses of employees detailed to attend courses of training conducted by the Government or industries serving aviation; purchase (not to exceed two for replacement only) of passenger motor vehicles; and hire, operation, maintenance, and repair of aircraft; ~~(10)\$3,900,000~~ \$4,125,000.

Payments to air carriers: For payments to air carriers of so much of the compensation fixed and determined by the Civil Aeronautics Board under section 406 of the Civil Aeronautics Act of 1938, as amended (49 U. S. C. 486), as is payable by the Civil Aeronautics Board pursuant to Reorganization Plan No. 10 of 1953; ~~(11)\$40,000,000~~ \$55,000,000, to remain available until expended.

COAST AND GEODETIC SURVEY

Salaries and expenses: For expenses necessary to carry out the provisions of the Act of August 6, 1947 (33 U. S. C. 883a-883i), including purchase of not to exceed three passenger motor vehicles for replacement only; uniforms or allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114); lease of sites and the erection of temporary buildings for tide, magnetic or seismological

1 observations; hire of aircraft; operation, maintenance, and
 2 repair of an airplane; extra compensation at not to exceed
 3 \$15 per month to each member of the crew of a vessel when
 4 assigned duties as recorder or instrument observer, and at not
 5 to exceed \$1 per day for each station to employees of other
 6 Federal agencies while making oceanographic observations
 7 or tending seismographs; pay, allowances, gratuities, trans-
 8 portation of dependents and household effects, and payment
 9 of funeral expenses, as authorized by law, for not to exceed
 10 185 commissioned officers on the active list; payments under
 11 the Uniform Services Contingency Option Act of 1953; and
 12 pay of commissioned officers retired in accordance with law;
 13 **(12)**~~\$10,200,000~~ \$10,225,000: *Provided*, That during the
 14 current fiscal year, this appropriation shall be reimbursed for
 15 press costs and costs of paper for charts published by the
 16 Coast and Geodetic Survey and furnished for the official use
 17 of the military departments of the Department of Defense.

18 BUSINESS AND DEFENSE SERVICES ADMINISTRATION

19 Salaries and expenses: For necessary expenses of the
 20 Business and Defense Services Administration, including
 21 transportation and not to exceed \$15 per diem in lieu of
 22 subsistence for persons serving without compensation while
 23 away from their homes or regular places of business,
 24 **(13)**~~\$6,198,000~~ \$6,975,000 **(14)**, *including not less than*

1 *\$345,000 to be available only to the Area Development*
 2 *Division.*

3 BUREAU OF FOREIGN COMMERCE

4 Salaries and expenses: For necessary expenses of the
 5 Bureau of Foreign Commerce, including the purchase of
 6 commercial and trade reports; (15)~~\$1,800,000~~ \$2,200,000.

7 Export control: For expenses necessary for carrying
 8 out the provisions of the Export Control Act of 1949, as
 9 amended, relating to export controls, including awards of
 10 compensation to informers under said Act and as authorized
 11 by the Act of August 13, 1953 (22 U. S. C. 401),
 12 (16)~~\$2,500,000~~ \$2,800,000, of which not to exceed \$800,-
 13 000 may be advanced to the Bureau of Customs, Treasury
 14 Department, for enforcement of the export control program,
 15 and of which not to exceed (17)~~\$75,000~~ \$90,000 may be
 16 advanced to the appropriation for "Salaries and expenses"
 17 under the Office of the Secretary.

18 OFFICE OF BUSINESS ECONOMICS

19 Salaries and expenses: For necessary expenses of the
 20 Office of Business Economics, (18)~~\$975,000~~ \$900,000.

21 MARITIME ACTIVITIES

22 Ship construction: For (19)*construction as authorized by*
 23 *sections 701 and 702 of the Merchant Marine Act, 1936.*

1 *as amended (46 U. S. C. 1191, 1192), of one prototype*
 2 *tanker and two prototype cargo ships; for payment on con-*
 3 *struction-differential subsidy and cost of national-defense fea-*
 4 *tures incident to construction of two passenger-cargo ships*
 5 *and not to exceed five cargo ships for replacement, and for*
 6 *payment of construction-differential subsidy and cost of*
 7 *national-defense features incident to the reconstruction and*
 8 *reconditioning of ships under title V of the Merchant Marine*
 9 *Act, 1936, as amended (46 U. S. C. 1154) ; for recondition-*
 10 *ing and betterment of one ship in the national-defense reserve*
 11 *fleet; for necessary expenses for the acquisition of used cargo*
 12 *ships and tankers pursuant to section 510 of the Merchant*
 13 *Marine Act, 1936, as amended (46 U. S. C. 1160), and the*
 14 *payment of cost of national-defense features incorporated in*
 15 *new tankers constructed to replace such used tankers; and for*
 16 *research, development, and design expenses incident to new and*
 17 *advanced ship design, machinery, and equipment; ~~(20)~~\$64,*
 18 *~~700,000~~ \$102,800,000, to remain available until expended:*
 19 *Provided, That transfers may be made to the appropriation for*
 20 *the current fiscal year for "Salaries and expenses" for adminis-*
 21 *trative and warehouse expenses (not to exceed ~~(21)~~\$900,000*
 22 *\$1,275,000) and for reserve fleet expenses in such amounts as*
 23 *may be required, and any such transfers shall be without regard*
 24 *to the limitations under that appropriation on the amounts*

1 available for such expenses: *Provided further*, That appro-
 2 priations granted herein shall be available to pay construction-
 3 differential subsidy granted by the Federal Maritime Board,
 4 pursuant to section 501 (c) of the Merchant Marine Act,
 5 1936, as amended, to aid in the reconstruction of any
 6 Mariner-class ships sold under the provisions of title VII of
 7 the 1936 Act: *Provided further*, That all ship construction,
 8 reconditioning and betterment of vessels appropriated for
 9 herein, shall be performed in shipyards in the continental
 10 United States **(22)**: ~~*Provided further*, That no funds contained~~
 11 ~~in this Act may be used to commence construction, recon-~~
 12 ~~struction, conversion, reconditioning or betterment of any~~
 13 ~~vessel until the total Federal funds required to complete~~
 14 ~~such work have been appropriated.~~

15 Operating-differential subsidies: For the payment of
 16 obligations incurred for operating-differential subsidies
 17 granted on or after January 1, 1947, as authorized by the
 18 Merchant Marine Act, 1936, as amended, and in appropria-
 19 tions heretofore made to the United States Maritime Com-
 20 mission, **(23)**~~\$90,000,000~~ \$115,000,000, to remain available
 21 until expended: *Provided*, That to the extent that the operating-
 22 differential subsidy accrual (computed on the basis of parity) is
 23 represented on the operator's books by a contingent accounts
 24 receivable item against the United States as a partial or

1 complete offset to the recapture accrual, the operator (1)
 2 shall be excused from making deposits in the special re-
 3 serve fund, and (2) as to the amount of such earnings
 4 the deposit of which is so excused shall be entitled to
 5 the same tax treatment as though it had been deposited
 6 in said special reserve fund. To the extent that any amount
 7 paid to the operator by the United States reduces the bal-
 8 ance in the operator's contingent receivable account against
 9 the United States, such amount shall forthwith be deposited
 10 in the special reserve fund of the operator: *Provided further,*
 11 That no contracts shall be executed during the current fiscal
 12 year by the Federal Maritime Board which will obligate
 13 the Government to pay operating differential subsidy on more
 14 than ~~(24) eighteen hundred and forty-seven~~ *two thousand*
 15 voyages in any one calendar year, including voyages covered
 16 by contracts in effect at the beginning of the current fiscal
 17 year ~~(25) of which not less than one hundred and twelve~~ shall
 18 be for operators who have not held contracts prior to July
 19 1, 1955.

20 Salaries and expenses: For expenses necessary for
 21 carrying into effect the Merchant Marine Act, 1936, and
 22 other laws administered by the Federal Maritime Board
 23 and the Maritime Administration, ~~(26) \$14,000,000~~ *\$14,-*
 24 *700,000*, within limitations as follows:

1 Administrative expenses, including not to exceed
 2 \$1,125 for entertainment of officials of other countries when
 3 specifically authorized by the Maritime Administrator; and
 4 ship structure research, testing and models; \$5,955,000;

5 Maintenance of shipyard facilities and operation of
 6 warehouse, ~~(27)\$1,085,000~~ \$1,345,000;

7 Reserve fleet expenses, ~~(28)\$6,960,000~~ \$7,400,000.

8 Maritime training: For training cadets as officers of the
 9 merchant marine at the Merchant Marine Academy at Kings
 10 Point, New York, including pay and allowances for person-
 11 nel of the United States Maritime Service as authorized by
 12 law (46 U. S. C. 1126, 63 Stat. 802, 64 Stat. 794, and 66
 13 Stat. 79) ; not to exceed \$2,500 for contingencies for the
 14 Superintendent, United States Merchant Marine Academy,
 15 to be expended in his discretion; purchase of one passenger
 16 motor vehicle for replacement only; and not to exceed
 17 \$30,000 for transfer to applicable appropriations of the Pub-
 18 lic Health Service for services rendered the Maritime Admin-
 19 istration; \$2,085,000, including uniform and textbook
 20 allowances for cadet midshipmen, at an average yearly cost
 21 of not to exceed \$200 per cadet: *Provided*, That except as
 22 herein provided for uniform and textbook allowances this
 23 appropriation shall not be used for compensation or allow-
 24 ances for cadets,

1 State marine schools: To reimburse the State of Cali-
2 formia, \$47,500; the State of Maine, \$47,500; the State of
3 Massachusetts, \$47,500; and the State of New York, \$47,-
4 500; for expenses incurred in the maintenance and support of
5 marine schools in such States as provided in the Act author-
6 izing the establishment of marine schools, and so forth, ap-
7 proved March 4, 1911, as amended (34 U. S. C. 1121-
8 1123) ; \$149,800 for the maintenance and repair of vessels
9 loaned by the United States to the said States for use in
10 connection with such State marine schools; and \$320,200
11 for allowances for uniforms, textbooks, and subsistence of
12 cadets at State marine schools, to be paid in accordance with
13 regulations established pursuant to law (46 U. S. C. 1126
14 (b)) ; \$660,000.

15 Repair of reserve fleet vessels (liquidation of contract
16 authorization) : For the payment of obligations incurred
17 pursuant to authority granted under the "Emergency Ship
18 Repair Act of 1954", \$6,000,000: *Provided*, That advances
19 may be made from this appropriation to "Salaries and ex-
20 penses, maritime activities", for administrative expenses
21 (not to exceed \$150,000), and for reserve fleet expenses
22 (in such amounts as may be required), and such advances
23 shall be in addition to amounts otherwise made available for
24 such expenses.

25 War Shipping Administration liquidation: Not to ex-

1 ceed \$5,900,000 of the unexpended balance of the appro-
2 priation to the Secretary of the Treasury in the Second
3 Supplemental Appropriation Act, 1948, for liquidation of
4 obligations approved by the General Accounting Office as
5 properly incurred against funds of the War Shipping Admin-
6 istration prior to January 1, 1947, is hereby continued avail-
7 able during the current fiscal year, and shall be available
8 for the payment of obligations incurred against the working
9 fund titled: "Working fund, Commerce, War Shipping
10 Administration functions, December 31, 1946".

11 No additional vessels shall be allocated under charter,
12 nor shall any vessel be continued under charter by reason
13 of any extension of chartering authority beyond June 30,
14 1949, unless the charterer shall agree that the Maritime
15 Administration shall have no obligation upon redelivery to
16 accept or pay for consumable stores, bunkers and slop-chest
17 items, except with respect to such minimum amounts of
18 bunkers as the Maritime Administration considers advisable
19 to be retained on the vessel and that prior to such redelivery
20 all consumable stores, slop-chest items and bunkers over
21 and above such minimums shall be removed from the vessel
22 by the charterer at his own expense.

23 No money made available to the Department of Com-
24 merce, for maritime activities, by this or any other Act shall
25 be used in payment for a vessel the title to which is acquired

1 by the Government either by requisition or purchase, or
2 the use of which is taken either by requisition or agreement,
3 or which is insured by the Government and lost while so
4 insured, unless the price or hire to be paid therefor (except
5 in cases where section 802 of the Merchant Marine Act,
6 1936, as amended, is applicable) is computed in accordance
7 with subsection 902 (a) of said Act, as that subsection is
8 interpreted by the General Accounting Office.

9 Notwithstanding any other provision of this Act, the
10 Maritime Administration is authorized to furnish utilities and
11 services and make necessary repairs in connection with any
12 lease, contract, or occupancy involving Government property
13 under control of the Maritime Administration, and payments
14 received by the Maritime Administration for utilities, serv-
15 ices, and repairs so furnished or made shall be credited to
16 the appropriation charged with the cost thereof: *Provided,*
17 That rental payments under any such lease, contract, or
18 occupancy on account of items other than such utilities,
19 services, or repairs shall be covered into the Treasury as
20 miscellaneous receipts.

21 No obligations shall be incurred during the current fis-
22 cal year from the construction fund established by the Mer-
23 chant Marine Act, 1936, or otherwise, in excess of the
24 appropriations and limitations contained in this Act, or in
25 any prior appropriation Act, and all receipts which other-

1 wise would be deposited to the credit of said fund shall be
 2 covered into the Treasury as miscellaneous receipts.

3 **(29)***Vessel operations revolving fund: Hereafter the vessel*
 4 *operations revolving fund, created by the Third Supple-*
 5 *mental Appropriation Act, 1951, shall be available for neces-*
 6 *sary expenses incurred, in connection with protection, preser-*
 7 *vation, maintenance, acquisition, or use of vessels involved*
 8 *in mortgage-foreclosure or forfeiture proceedings instituted*
 9 *by the United States, including payment of prior claims and*
 10 *liens, expenses of sale, or other charges incident thereto; for*
 11 *necessary expenses incident to the redelivery and lay-up, in*
 12 *the United States, of ships now chartered under agreements*
 13 *which do not call for their return to the United States; for*
 14 *payment of expenses of custody and husbanding of Govern-*
 15 *ment-owned ships other than those within reserve fleets; and*
 16 *for payment of expenses of emergency repairs of ships in*
 17 *reserve fleets: Provided, That said fund shall be credited with*
 18 *all receipts from charter of Government-owned ships under*
 19 *the jurisdiction of the Secretary of Commerce.*

20 **(30)***Inland Waterways Corporation (administered under the*
 21 *supervision and direction of the Secretary of Commerce):*
 22 *Not to exceed \$14,000 shall be available for administrative*
 23 *expenses to be determined in the manner set forth under the*
 24 *title "General expenses" in the Uniform System of Accounts*

1 *for Carriers by Water of the Interstate Commerce Com-*
2 *mission (effective January 1, 1947).*

3 PATENT OFFICE

4 Salaries and expenses: For necessary expenses of the
5 Patent Office, including services as authorized by section 15
6 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates for
7 individuals not to exceed \$75 per diem (not to exceed
8 \$25,000) ; and defense of suits instituted against the Commis-
9 sioner of Patents; \$14,000,000.

10 BUREAU OF PUBLIC ROADS

11 General administrative expenses: Necessary expenses
12 of administration, including advertising (including adver-
13 tising in the city of Washington for work to be performed
14 in areas adjacent thereto), purchase of seventy-five passenger
15 motor vehicles for replacement only, and the maintenance
16 and repairs of experimental highways, shall be paid, in
17 accordance with law, from appropriations available to the
18 Bureau of Public Roads.

19 Of the total amount available from appropriations of the
20 Bureau of Public Roads for general administrative expenses,
21 pursuant to the provisions of section 21 of the Act of
22 November 9, 1921, as amended (23 U. S. C. 21), \$100,000
23 shall be available for all necessary expenses to enable the
24 President to utilize the services of the Bureau of Public

1 Roads in fulfilling the obligations of the United States under
 2 the Convention on the Pan-American Highway Between
 3 the United States and Other American Republics (51 Stat.
 4 152), cooperation with several governments, members of the
 5 Pan American Union, in connection with the survey and
 6 construction of the Inter-American Highway, and for per-
 7 forming engineering service in Pan-American countries for
 8 and upon the request of any agency or governmental corpo-
 9 ration of the United States.

10 Federal-aid highways: For carrying out the provisions
 11 of the Act of July 11, 1916, as amended and supplemented
 12 (23 U. S. C. 1-22, 24-105, 107-117), to remain available
 13 until expended, ~~(31)\$600,000,000~~ \$680,000,000, which
 14 sum is composed of \$343,500,000, the balance of the amount
 15 authorized to be appropriated for the fiscal year 1954,
 16 ~~(32)\$248,500,000~~ \$328,500,000, a part of the amount
 17 authorized to be appropriated for the fiscal year 1955,
 18 and \$163,336, \$75,915, \$1,695,797, and \$1,401,457,
 19 the latter sums being for reimbursement of the sums
 20 expended for the repair or reconstruction of highways
 21 and bridges which have been damaged or destroyed
 22 by floods, hurricanes, or landslides, as provided by
 23 section 4 of the Act approved June 8, 1938, section 7 of
 24 the Act approved July 13, 1943, and section 9 of the Act

1 approved September 7, 1950, as amended (23 U. S. C. 13a
 2 and 13b) and section 7 of the Act approved June 25, 1952,
 3 and \$4,663,495 for reimbursement of the sums expended for
 4 the design and construction of highway bridges upon and
 5 across dams in accordance with the Act of July 29, 1946
 6 (60 Stat. 709).

7 Forest highways: For expenses, not otherwise provided
 8 for, necessary for carrying out the provisions of section 23
 9 of the Federal Highway Act of November 9, 1921, as
 10 amended (23 U. S. C. 23, 23a), to remain available until
 11 expended, ~~(33)\$18,500,000~~ \$25,000,000~~(34)~~, which sum
 12 is composed of \$19,000,000, the remainder of the amount
 13 authorized to be appropriated for the fiscal year 1955, and
 14 \$6,000,000, a part of the amount authorized to be appro-
 15 priated for the fiscal year ~~(35)1955~~ 1956: *Provided*, That
 16 this appropriation shall be available for the rental, purchase,
 17 construction, or alteration of buildings and sites necessary for
 18 the storage and repair of equipment and supplies used for
 19 road construction and maintenance, but the total cost of any
 20 such item under this authorization shall not exceed \$15,000.

21 Inter-American Highway: For necessary expenses of
 22 continuing the survey and construction of the Inter-Ameri-
 23 can Highway, in accordance with the provisions of the Act
 24 of December 26, 1941 (55 Stat. 860), as amended by sec-
 25 tion 6 of the Federal-Aid Highway Act of 1952 (66 Stat.

1 158), (36)\$8,000,000 including purchase of five passenger
 2 motor vehicles, \$25,250,000, to remain available until
 3 expended.

4 Public lands highways (liquidation of contract authori-
 5 zation) : For payment of obligations incurred pursuant to the
 6 contract authorization granted by section 6 of the Federal-
 7 Aid Highway Act of 1954 (68 Stat. 73), to remain avail-
 8 able until expended, \$2,000,000, which sum is composed of
 9 \$1,625,000, the remainder of the amount authorized for fiscal
 10 year 1955, and \$375,000, a part of the amount authorized
 11 for fiscal year 1956.

12 General provisions—Bureau of Public Roads: None of
 13 the money appropriated for the work of the Bureau of
 14 Public Roads during the current fiscal year shall be paid
 15 to any State on account of any project on which convict
 16 labor shall be employed, but this provision shall not apply
 17 to labor performed by convicts on parole or probation.

18 During the current fiscal year authorized engineering
 19 or other services in connection with the survey, construction,
 20 and maintenance, or improvement of roads may be per-
 21 formed for other Government agencies, cooperating foreign
 22 countries, and State cooperating agencies, and reimbursement
 23 for such services (which may include depreciation on engi-
 24 neering and road-building equipment used) shall be credited
 25 to the appropriation concerned.

1 During the current fiscal year appropriations for the
2 work of the Bureau of Public Roads shall be available for
3 expenses of warehouse maintenance and the procurement,
4 care, and handling of supplies, materials, and equipment for
5 distribution to projects under the supervision of the Bureau
6 of Public Roads, or for sale or distribution to other Govern-
7 ment activities, cooperating foreign countries, and State
8 cooperating agencies, and the cost of such supplies and mate-
9 rials or the value of such equipment (including the cost of
10 transportation and handling) may be reimbursed to current
11 applicable appropriations.

12 Appropriations to the Bureau of Public Roads may be
13 used in emergency for medical supplies and services and
14 other assistance necessary for the immediate relief of em-
15 ployees engaged on hazardous work under that Bureau, and
16 for temporary services as authorized by section 15 of the
17 Act of August 2, 1946 (5 U. S. C. 55a), but at rates for
18 individuals not in excess of \$100 per diem.

19 REDUCTIONS IN CONTRACT AUTHORIZATIONS

20 Bureau of Public Roads: The unobligated balances of
21 contract authorizations provided in section 4 of the Act ap-
22 proved June 8, 1938 (52 Stat. 634), and section 9 of the
23 Act approved September 7, 1950 (64 Stat. 789), as
24 amended by the Act approved October 15, 1951 (65 Stat.
25 421), are hereby canceled.

1 The authorization in section 3 of the Federal-Aid High-
 2 way Act of 1952 for forest highways for the fiscal year
 3 ending June 30, 1954, is hereby reduced by the sum of
 4 \$15,900,000.

5 NATIONAL BUREAU OF STANDARDS

6 Expenses: For expenses necessary in performing the
 7 functions authorized by the Act of March 3, 1901, as
 8 amended (15 U. S. C. 271-278c), including general admin-
 9 istration; operation, maintenance, alteration, and protection
 10 of grounds and facilities; and improvement and construction
 11 of temporary or special facilities as authorized by section
 12 2 of the Act of July 21, 1950 (15 U. S. C. 286);
 13 ~~(37)\$7,000,000~~ \$7,450,000: *Provided*, That during the
 14 current fiscal year the maximum base rate of compensation
 15 for employees appointed pursuant to the Act of July 21,
 16 1950 (15 U. S. C. 285), shall be equivalent to the entrance
 17 rate of GS-12.

18 Plant and equipment: For construction of a pilot elec-
 19 tronic data-processing device to be used in the performance
 20 of functions authorized by the Act of March 3, 1901, as
 21 amended (15 U. S. C. 271-278c); repair of mechanical
 22 facilities; and expenses incurred, as authorized by section 2
 23 of the Act of July 21, 1950 (15 U. S. C. 286), in the
 24 construction or improvement of buildings, grounds, and other
 25 facilities; ~~(38)~~ *and construction of an electronic calibration*

center at a cost not to exceed \$765,000; \$995,000, to remain available until expended.

WEATHER BUREAU

Salaries and expenses: For expenses necessary for the Weather Bureau, including maintenance and operation of aircraft; purchase of five passenger motor vehicles for replacement only; not to exceed \$25,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ; and not to exceed \$10,000 for maintenance of a printing office in the city of Washington, as authorized by law; ~~(39)\$29,900,000~~ \$32,000,000 ~~(40)~~ of which \$4,250,000 shall be available only for the improvement and operation of hurricane, severe storm, and tornado warning services in the United States, including research related thereto, and construction of necessary facilities: Provided, That during the current fiscal year, the maximum amount authorized under section 3 (a) of the Act of June 2, 1948 (15 U. S. C. 327) , for extra compensation to employees of other Government agencies for taking and transmitting meteorological observations, shall be \$5 per day ; and the maximum base rate of pay authorized under section 3 (b) of said Act, for employees conducting meteorological investigations in the Arctic region, shall be \$6,000 per annum, except that not more than five of such employees at any one time may receive a base rate of \$8,500 per annum,

1 and such employees may be appointed without regard to the
2 Classification Act of 1949.

3 Establishment of meteorological facilities: For the
4 acquisition, establishment, and relocation of meteorological
5 observing facilities and related equipment, including the
6 alteration and modernization of existing facilities;
7 ~~(41)\$5,000,000~~ \$7,500,000, to remain available until
8 June 30, 1959.

9 GENERAL PROVISIONS—DEPARTMENT OF COMMERCE

10 SEC. 102. During the current fiscal year applicable ap-
11 propriations and funds available to the Department of Com-
12 merce shall be available for the activities specified in the
13 Act of October 26, 1949 (5 U. S. C. 596a), to the extent
14 and in the manner prescribed by said Act.

15 SEC. 103. Appropriations in this title available for sal-
16 aries and expenses shall be available for expenses of attend-
17 ance at meetings of organizations concerned with the activi-
18 ties for which the appropriations are made; hire of passen-
19 ger motor vehicles; and services as authorized by section 15
20 of the Act of August 2, 1946 (5 U. S. C. 55a), but, unless
21 otherwise specified, at rates for individuals not to exceed
22 \$50 per diem.

23 ~~(42)~~SEC. 104. *Not to exceed 5 per centum of any appropria-*
24 *tions of the Department of Commerce available for salaries*

1 *and expenses may be transferred to any other such appropria-*
 2 *tion, but no such appropriation shall be thereby increased by*
 3 *more than 5 per centum: Provided, That such transfers shall*
 4 *be in addition to any other transfers authorized by law, but*
 5 *no such transfer shall be used for the creation of new func-*
 6 *tions within the Department: Provided further, That not*
 7 *to exceed \$5,000 of such transfers shall be available for*
 8 *entertainment.*

9 **(43)** *SEC. 105. Hereafter the position of Budget Officer of*
 10 *the Department shall be in GS-17 of the General Schedule*
 11 *established by the Classification Act of 1949 so long as the*
 12 *position is held by the present incumbent.*

13 TITLE II—THE PANAMA CANAL

14 CANAL ZONE GOVERNMENT

15 Operating expenses: For operating expenses necessary
 16 for the Canal Zone Government, including operation of the
 17 Postal Service of the Canal Zone; hire of passenger motor
 18 vehicles; uniforms or allowances therefor, as authorized by
 19 the Act of September 1, 1954 (68 Stat. 1114); expenses
 20 incident to conducting hearings on the Isthmus; expenses
 21 of attendance at meetings, when authorized by the Governor
 22 of the Canal Zone, of organizations concerned with activities
 23 pertaining to the Canal Zone Government; expenses of

1 special training of employees of the Canal Zone Govern-
 2 ment as authorized by law (63 Stat. 602) ; contingencies
 3 of the Governor; residence for the Governor; medical aid
 4 and support of the insane and of lepers and aid and support
 5 of indigent persons legally within the Canal Zone, includ-
 6 ing expenses of their deportation when practicable; and
 7 payments of not to exceed \$50 in any one case to persons
 8 within the Government service who shall furnish blood for
 9 transfusions; ~~(44)\$14,500,000~~ \$14,800,000.

10 Capital outlay: For acquisition of land and land under
 11 water and acquisition, construction, and replacement of im-
 12 provements, facilities, structures, and equipment, as author-
 13 ized by law (63 Stat. 600 and 48 U. S. C. 1302) , including
 14 the purchase of not to exceed ~~(45)six~~ *eight* passenger motor
 15 vehicles (for replacement only) ; and expenses incident to
 16 the retirement of such assets; \$1,800,000, to remain avail-
 17 able until expended.

18 PANAMA CANAL COMPANY

19 The following corporation is hereby authorized to make
 20 such expenditures, within the limits of funds and borrowing
 21 authority available to it and in accord with law, and to
 22 make such contracts and commitments without regard to
 23 fiscal year limitations as provided by section 104 of the

1 Government Corporation Control Act, as may be necessary
 2 in carrying out the programs set forth in the Budget for
 3 the fiscal year 1956 for such corporation, except as here-
 4 inafter provided:

5 Not to exceed ~~(46)\$3,589,000~~ \$3,740,000 of the funds
 6 available to the Panama Canal Company shall be available
 7 during the current fiscal year for general and administrative
 8 expenses of the Company, which shall be computed on an
 9 accrual basis: *Provided*, That as used herein, the term “gen-
 10 eral and administrative expenses” shall not be construed to
 11 include expenses otherwise classified in the preceding fiscal
 12 year: *Provided further*, That funds available for operating
 13 expenses shall be available for the purchase of not to exceed
 14 ten passenger motor vehicles (for replacement only), and
 15 for uniforms or allowances therefor, as authorized by the
 16 Act of September 1, 1954 (68 Stat. 1114).

17 GENERAL PROVISIONS—THE PANAMA CANAL

18 SEC. 202. No part of any appropriation contained in this
 19 Act shall be used directly or indirectly, except for tem-
 20 porary employment in case of emergency, for the payment
 21 of any civilian for services rendered by him on the Canal
 22 Zone while occupying a skilled, technical, clerical, admin-
 23 istrative, executive, or supervisory position unless such person
 24 is a citizen of the United States of America or of the
 25 Republic of Panama: *Provided, however*, (1) That, not-

1 withstanding the provision in the Act approved August 11,
2 1939 (53 Stat. 1409) limiting employment in the above-
3 mentioned positions to citizens of the United States from
4 and after the date of approval of said Act, citizens of Panama
5 may be employed in such positions; (2) that at no time shall
6 the number of Panamanian citizens employed in the above-
7 mentioned positions exceed the number of citizens of the
8 United States so employed, if United States citizens are
9 available in continental United States or on the Canal Zone;
10 (3) that nothing in this Act shall prohibit the continued
11 employment of any person who shall have rendered fifteen
12 or more years of faithful and honorable service on the
13 Canal Zone; (4) that in the selection of personnel for skilled,
14 technical, administrative, clerical, supervisory, or executive
15 positions, the controlling factors in filling these positions
16 shall be efficiency, experience, training, and education; (5)
17 that all citizens of Panama and the United States rendering
18 skilled, technical, clerical, administrative, executive, or super-
19 visory service on the Canal Zone under the terms of this
20 Act (a) shall normally be employed not more than forty
21 hours per week, (b) may receive as compensation equal
22 rates of pay based upon rates paid for similar employment
23 in continental United States plus 25 per centum; (6) this
24 entire section shall apply only to persons employed in skilled,
25 technical, clerical, administrative, executive, or supervisory

1 positions on the Canal Zone directly or indirectly by any
2 branch of the United States Government or by any cor-
3 poration or company whose stock is owned wholly or in
4 part by the United States Government: *Provided further,*
5 That the President may suspend from time to time in whole
6 or in part compliance with this section if he should deem
7 such course to be in the public interest.

8 SEC. 203. The Governor of the Canal Zone is authorized
9 to employ services as authorized by section 15 of the Act
10 of August 2, 1946 (5 U. S. C. 55a), in an amount not
11 exceeding \$15,000: *Provided,* That the rates for individuals
12 shall not exceed \$100 per diem.

13 SEC. 204. There are hereafter authorized to be trans-
14 ferred between departments and agencies, with or without
15 exchange of funds, all or so much of the facilities, buildings,
16 structures, improvements, stock and equipment, of their
17 activities located in the Canal Zone, as may be mutually
18 agreed upon by the agencies involved and approved by
19 the Director of the Bureau of the Budget, in the interest
20 of elimination of duplicate activities and related facilities:
21 *Provided,* That with respect to such transfers without ex-
22 change of funds (1) transfers to or from the Panama Canal
23 Company shall be subject to the provisions of section 246
24 of title 2 of the Canal Zone Code, as added by the Act
25 of June 29, 1948 (ch. 706, sec. 2, 62 Stat. 1076) ; and

1 (2) transfers to or from the Canal Zone Government shall
2 be at such appropriate amount as shall be agreed upon
3 between the Canal Zone Government and the agencies
4 concerned and approved by the Director of the Bureau of
5 the Budget, and in the determination thereof due consid-
6 eration shall be given to the cost of the transferred assets,
7 or usable value to the transferee if clearly less than cost,
8 and adequate provision made for depreciation of properties
9 and equipment, obsolete or otherwise unusable inventories,
10 and other reasonably determinable shrinkages in values;
11 and such amount shall be added to or deducted from the
12 investment of the United States in the Canal Zone Govern-
13 ment as applicable.

14 (47) SEC. 205. *The Governor of the Canal Zone and the*
15 *President of the Panama Canal Company, in computing al-*
16 *lowances for the cost of travel on home leave for persons who*
17 *elect at their expense to take other than the lowest first-class*
18 *travel to the United States, shall take into account as the cost*
19 *to the United States the actual cost, as computed by the*
20 *General Accounting Office, of travel by United States owned*
21 *and operated vessels rather than a reduced fare rate which*
22 *is available for such employes when traveling on their own*
23 *account.*

24 (48) SEC. 206. *Notwithstanding the provisions of any other*
25 *law the officer of the Army now serving as Governor of the*

1 *Canal Zone shall, effective July 1, 1955, be considered to hold*
 2 *the grade of major general for all purposes, without regard*
 3 *to any limitations on the number of officers in that grade, and*
 4 *while so serving shall receive the pay and allowances of an*
 5 *officer of that grade and his length of service, and when re-*
 6 *tired under any provision of law shall be advanced on the*
 7 *retired list to such grade and shall receive the retired or retire-*
 8 *ment pay at the rate prescribed by law computed on the basis*
 9 *of the basic pay which he would receive if serving on active*
 10 *duty in such grade.*

11 TITLE III—INDEPENDENT AGENCIES

12 ADVISORY COMMITTEE ON WEATHER CONTROL

13 Salaries and expenses: For necessary expenses of the
 14 Advisory Committee on Weather Control, established by
 15 the Act of August 13, 1953 (67 Stat. 559), including
 16 services as authorized by section 15 of the Act of August 2,
 17 1946 (5 U. S. C. 55a), ~~(49)~~~~\$175,000~~ \$295,000.

18 SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

19 Not to exceed \$280,000 shall be available for admin-
 20 istrative expenses which shall be computed on an accrual
 21 basis: *Provided*, That said funds shall be available for serv-
 22 ices as authorized by section 15 of the Act of August 2,
 23 1946 (5 U. S. C. 55a), at rates for individuals not to
 24 exceed \$100 per day.

TARIFF COMMISSION

Salaries and expenses: For necessary expenses of the Tariff Commission, including subscriptions to newspapers (not to exceed \$200), not to exceed \$17,000 for expenses of travel, and contract stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), \$1,400,000: *Provided*, That no part of this appropriation shall be used to pay the salary of any member of the Tariff Commission who shall hereafter participate in any proceedings under sections 336, 337, and 338 of the Tariff Act of 1930, wherein he or any member of his family has any special, direct, and pecuniary interest, or in which he has acted as attorney or special representative: *Provided further*, That no part of the foregoing appropriation shall be used for making any special study, investigation or report at the request of any other agency of the executive branch of the Government unless reimbursement is made for the cost thereof.

TITLE IV—GENERAL PROVISIONS

SEC. 401. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation included in this Act, shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member

1 of an organization of Government employees that asserts
2 the right to strike against the Government of the United
3 States, or who advocates, or is a member of an organization
4 that advocates, the overthrow of the Government of the
5 United States by force or violence: *Provided*, That for the
6 purposes hereof an affidavit shall be considered prima facie
7 evidence that the person making the affidavit has not contrary
8 to the provisions of this section engaged in a strike against the
9 Government of the United States, is not a member of an
10 organization of Government employees that asserts the right
11 to strike against the Government of the United States, or that
12 such person does not advocate, and is not a member of an
13 organization that advocates, the overthrow of the Govern-
14 ment of the United States by force or violence: *Provided*
15 *further*, That any person who engages in a strike against
16 the Government of the United States or who is a member
17 of an organization of Government employees that asserts
18 the right to strike against the Government of the United
19 States, or who advocates, or who is a member of an organiza-
20 tion that advocates, the overthrow of the Government of the
21 United States by force or violence and accepts employment
22 the salary or wages for which are paid from any appropria-
23 tion or fund contained in this Act shall be guilty of a felony
24 and, upon conviction, shall be fined not more than \$1,000
25 or imprisoned for not more than one year, or both: *Pro-*

1 *vided further*, That the above penalty clause shall be in
2 addition to, and not in substitution for, any other provisions
3 of existing law.

4 SEC. 402. No part of any appropriation contained in
5 this Act shall be used for publicity or propaganda purposes
6 not heretofore authorized by the Congress.

7 SEC. 403. No part of any appropriation contained in this
8 Act shall be used to pay any expenses incident to or in con-
9 nection with participation in the International Materials
10 Conference.

11 This Act may be cited as the "Department of Com-
12 merce and Related Agencies Appropriation Act, 1956".

Passed the House of Representatives May 24, 1955.

Attest: RALPH R. ROBERTS,
Clerk.

Passed the Senate with amendments June 16 (legislative
day, June 14), 1955.

Attest: FELTON M. JOHNSTON,
Secretary

AN ACT

Making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 1955

Ordered to be printed with the amendments of the
Senate numbered

14. FARM LOANS. Passed without amendment S. 1755, to provide that the rate of interest on USDA disaster loans shall not exceed 3% per annum (p. 7947). The Agriculture Committee earlier in the day reported this bill without amendment (H. Rept. 915) (p. 7954). This bill will now be sent to the President.
15. EMERGENCY LOANS. Passed without amendment S. 1582, to extend until 1957 the period for making emergency loans for agricultural purposes (p. 7947). This bill will now be sent to the President.
16. TRAVEL EXPENSE. House conferees were appointed on H. R. 6295, to provide an increased maximum per diem and mileage allowance for subsistence and travel expenses (pp. 7942-3). Senate conferees were appointed June 22.
17. APPROPRIATIONS. House conferees were appointed on H. R. 6367, Commerce and related agencies appropriation bill for 1956. Senate conferees were appointed June 16.
~~House conferees were appointed on H. R. 6239, the D. C. appropriation bill for 1956 (p. 7914). Senate conferees were appointed June 23.~~
18. ORGANIZATION. Received from the Hoover Commission a report on the Business Organization of the Department of Defense; to Armed Services Committee (H. Doc. 196) (p. 7954).
19. TRADE AGREEMENTS. The Ways and Means Committee reported with amendment H. R. 6059, to authorize the President to enter into an agreement with the Philippines to revise the 1946 trade agreement between the two countries (H. Rept. 934) (p. 7954).
20. RESERVE FORCES. The Armed Services Committee ordered reported H. R. 7000, the new Armed Forces Reserve bill (p. D623).
21. GOVERNMENT COMPETITION. The Government Operations Committee ordered reported H. R. 279, to provide for the termination of Government operations which are in competition with private enterprise (p. D623).
22. PUBLIC WORKS. Passed, 317 to 2, with amendments H. R. 6829, to authorize certain construction at military, naval, and Air Force installations, which includes a revision of the provision for financing certain military housing in foreign countries through the furnishing of surplus agricultural commodities (pp. 7921-42).
23. LEGISLATIVE PROGRAM. Rep. McCormack announced that the FCA bill will be the next order of business to be followed by the conference report on the selective service bill, the atomic energy authorization bill, the military reserve bill, the housing bill, the social security amendments, and the Mexican farm labor bill. Agreed to call the Consent Calendar on July 5. (pp. 7914-5.)

BILLS INTRODUCED

24. ATTORNEYS. S. 2326, by Sen. Eastland, to require any attorney at law practicing before a Federal court, or appearing before a congressional committee as counsel for a witness testifying before such committee, or appearing as counsel before any department or agency in the executive branch of the Government of the United States, to file a non-Communist affidavit; to Judiciary Committee (p. 7862). Remarks of author (pp. 7863-4).

25. PERSONNEL. S. 2331, by Sen. Carlson, to provide for improvement in the system of personnel administration through the establishment of a senior civil service in accordance with the recommendations of the Commission on Organization of the Executive Branch of the Government; to Post Office and Civil Service Committee (p. 7863). Remarks of author (p. 7865).
- S. 2332, by Sen. Carlson, relating to the simplification of the general schedule of the Classification Act of 1949, as amended; to Post Office and Civil Service Committee (p. 7863). Remarks of author (p. 7865).
- S. 2333, by Sen. Carlson, relating to the certification of eligibles under the civil-service laws; to Post Office and Civil Service Committee (p. 7863). Remarks of author (p. 7865).
- S. 2334, by Sen. Carlson, providing for a simplified performance rating system for Federal employees; to Post Office and Civil Service Committee (p. 7863). Remarks of author (p. 7865).
- S. 2335, by Sen. Carlson, relating to appeals by veterans under section 14 of the Veterans' Preference Act of 1944; to Post Office and Civil Service Committee (p. 7863). Remarks of author (p. 7865).
- S. 2336, by Sen. Carlson, relating to reduction in personnel procedure and preference of veterans; to Post Office and Civil Service Committee (p. 7863). Remarks of author (p. 7865).
- S. 2337, by Sen. Carlson, relating to the transfer of Federal employees from the classified civil service to another personnel merit system; to Post Office and Civil Service Committee (p. 7863). Remarks of author (p. 7865).
26. HOUSING, SMALL BUSINESS. S. J. Res. 85, by Sen. Fulbright, to extend for temporary periods certain housing programs, the Small Business Act of 1953, and the Defense Production Act of 1950; placed on the calendar (p. 7863). Remarks of author (p. 7862).
27. PERSONNEL; PAYROLLING. H. R. 7008, by Rep. Barrett, to amend Public Law 587 by permitting the withholding by the Federal Government from wages of employees certain taxes imposed by municipalities; to Ways and Means Committee (p. 7955).
28. LANDS. H. R. 7023, by Rep. Seely-Brown, to provide for the conveyance of certain land of the United States to the State of Connecticut; to Agriculture Committee (p. 7955).
29. SUGAR. H. R. 7030, by Rep. Cooley, "to amend and extend the Sugar Act of 1948, as amended;" to Agriculture Committee (p. 7955).
30. GOVERNMENT COMPETITION. H. R. 7032, by Rep. Hoffman, Mich., to provide for the termination of Government operations which are in competition with private enterprise; to Government Operations Committee (p. 7955).

ITEMS IN APPENDIX

31. CONSERVATION. Rep. Bailey inserted a speech by a West Virginia farmer discussing the value of soil conservation practices in the prevention of floods and conservation of water supply (p. A4640).
32. ACREAGE ALLOTMENTS. Sen. Jackson inserted a report stating that the outback in sugar beet acreage in Washington State is depriving farmers of one of their best cash crops (pp. A4642-3).

**EXTENSION OF RENEGOTIATION
ACT OF 1951**

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 4904) to extend the Renegotiation Act of 1951 for 2 years, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BYRD. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. BYRD, Mr. GEORGE, Mr. KERR, Mr. MILLIKIN, and Mr. MARTIN of Pennsylvania conferees on the part of the Senate.

RECESS

Mr. JOHNSON of Texas. Mr. President, if no other Senator desires the floor, I am about to move that the Senate stand in recess until 12 o'clock noon tomorrow.

I move that the Senate recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 2 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, June 28, 1955, at 12 o'clock meridian.

House of Representatives

MONDAY, JUNE 27, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty and ever-blessed God, we are lifting our hearts unto Thee in adoration and gratitude, for Thou art the source of our blessings, the answer to our problems, and the goal of all our aspirations.

Grant that in these troubled days, when there is so much of tension and estrangement and sinister forces are trying to bring discord and division among the nations, we may know how to keep aglow the light of freedom and righteousness.

Help us to believe that Thou hast placed at our disposal the inexhaustible resources of Thy grace and that all things are working together for good if we seek to do Thy will, and all will be well when we are on Thy side.

Inspire us to hasten the coming of the time when there shall be peace on earth and good will among men.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, June 23, 1955, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McBride, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 1825. An act creating a Federal commission to formulate plans for the construction in the District of Columbia of a civic auditorium, including an Inaugural Hall of Presidents and a music, fine arts, and mass communications center;

H. R. 3659. An act to increase criminal penalties under the Sherman Antitrust Act; H. R. 4221. An act to amend section 4004, title 18, United States Code, relating to administering oaths and taking acknowledgments by officials of Federal penal and correctional institutions; and

H. R. 4954. An act to amend the Clayton Act by granting a right of action to the United States to recover damages under the antitrust laws, establishing a uniform statute of limitations, and for other purposes.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 48. An act to provide for the disqualifications of certain former officers and employees of the District of Columbia in matters connected with former duties;

S. 182. An act to require a premarital examination of all applicants for marriage licenses in the District of Columbia;

S. 256. An act to eliminate cumulative voting of shares of stock in the election of directors of national banking associations unless provided for in the articles of association;

S. 665. An act to revive section 3 of the District of Columbia Public School Food Services Act;

S. 666. An act to extend the period of authorization of appropriations for the hospital center and facilities in the District of Columbia;

S. 972. An act to amend the Home Owners' Loan Act of 1933, as amended;

S. 1275. An act to authorize the Commissioners of the District of Columbia to designate employees of the District to protect life and property in and on the buildings and grounds of any institution located on property outside of the District of Columbia acquired by the United States for District sanatoriums, hospitals, training schools, and other institutions;

S. 1287. An act to make certain increases in the annuities of annuitants under the Foreign Service retirement and disability system;

S. 1391. An act granting the consent of Congress to the States of California and Nevada to negotiate and enter into a compact with respect to the distribution and use of the waters of the Truckee, Carson, and Walker Rivers, Lake Tahoe, and the tributaries of such rivers and lake in such States;

S. 1585. An act to provide for the return to the town of Hartford, Vt., of certain land which was donated by such town to the United States as a site for a veterans hospital and which is no longer needed for such purposes;

S. 1739. An act to authorize the Commissioners of the District of Columbia to fix rates of compensation of members of certain examining and licensing boards and commissions, and for other purposes;

S. 1741. An act to exempt from taxation certain property of the Jewish War Veterans, U. S. A., National Memorial, Inc., in the District of Columbia;

S. 1855. An act to amend the Federal Airport Act, as amended;

S. 2171. An act to amend the Subversive Activities Control Act so as to provide that upon the expiration of his term of office, a member of the Board shall continue to serve until his successor shall have been appointed and shall have qualified;

S. 2176. An act to repeal the requirement that public utilities engaged in the manufacture and sale of electricity in the District of Columbia must submit annual reports to Congress;

S. 2177. An act to repeal the prohibition against the declaration of stock dividends by public utilities operating in the District of Columbia; and

S. Con. Res. 39. Concurrent resolution recognizing, on the occasion of her 75th birthday, June 27, 1955, the efforts of Miss Helen Keller in behalf of physically handicapped persons throughout the world.

The message also announced that the Senate agrees to the amendments of the House to a joint resolution of the Senate of the following title:

S. J. Res. 67. Joint resolution to authorize the Secretary of Commerce to sell certain vessels to citizens of the Republic of the Philippines; to provide for the rehabilitation of the interisland commerce of the Philippines, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6499) entitled "An act making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1956, and for other purposes."

APPROPRIATIONS FOR DEPARTMENT OF COMMERCE AND RELATED AGENCIES, 1956

Mr. PRESTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. PRESTON, THOMAS, ROONEY, YATES, SHELLEY, FLOOD, CANNON, CLEVENGER, BOW, HORAN, MILLER of Maryland, and TABER.

THE DEBT LIMIT

By direction of the Committee on Ways and Means, Mr. COOPER submitted a privileged report to accompany the bill (H. R. 6992) to extend for 1 year the existing temporary increase in the public debt limit, which was referred to the Union Calendar and ordered to be printed.

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, I call up the bill (H. R. 6992) to extend for 1 year the existing temporary increase in the public debt limit, and ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. PATMAN. Mr. Speaker, reserving the right to object, is this the bill to extend the debt limit?

Mr. COOPER. That is correct.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 30, 1955
For actions of June 29, 1955
84th-1st, No. 110

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HIGHLIGHTS: Senate committee reported bill to extend public debt limit. Senate passed bill to provide retirement credit for certain State service. House debated mutual security bill. House subcommittee approved bill providing retirement credit for State service. House passed bill to establish commission on Government security. Both Houses agreed to conference report on Commerce appropriation bill. House received conference report on defense appropriation bill.

HOUSE (JUNE 28)

1. SELECTIVE SERVICE. Both Houses agreed to the conference report on H. R. 3005, to extend the Selective Service Act until July 1, 1959 (pp. 7981-2, 8015-25). This bill is now ready for the President.
2. APPROPRIATIONS. Received the conference report (H. Rept. 994) on H. R. 6367, the Commerce Department appropriation bill (pp. 8010-2).
~~Received, from the President, a proposed indefinite appropriation and draft of proposed provisions pertaining to increased pay costs for the fiscal year 1955 (H. Doc. 197) (p. 8060). Attached to this Digest is the complete language of the proposal.~~
3. DEFENSE PRODUCTION. Both Houses passed without amendment S. J. Res. 85, to extend for one month the National Housing Act, the Defense Production Act, and the Small Business Act (pp. 8053-4, 7960). This measure is now ready for the President.
4. ORGANIZATION. Both Houses received the final report of the Commission on Intergovernmental Relations (H. Doc. 198) (pp. 7957, 8013).

5. FOREIGN TRADE. The Rules Committee reported a resolution, providing for consideration of, one hour of debate on, waiving points of order against, and limiting amendments to, H. R. 6059, to authorize the President to enter into an agreement with the Philippines to revise the 1946 trade agreement (H. Rept. 988) (p. 8051).

6. PRINTING. The Rules Committee reported with amendment H. Res. 262, authorizing the House Administration Committee to make studies relative to unnecessary Government printing and paperwork (H. Rept. 989) (p. 8054).

HOUSE (JUNE 29)

7. APPROPRIATIONS. Both Houses agreed to the conference report on the Commerce Department appropriation bill for 1956 (pp. 8069-72, 8105-6). This bill is now ready for the President.

Received the conference report on H. R. 6239, the D. C. appropriation bill for 1956 (H. Rept. 1031) (pp. 8104-5).

Received the conference report on H. R. 6042, the Defense Department appropriation bill for 1956 (H. Rept. 1030) (pp. 8108-9).

8. FOREIGN AID. Continued debate of S. 2090, the mutual security aid bill (pp. 8109-40).

9. ALASKA STATEHOOD. The Rules Committee reported a privileged resolution providing for debate of H. R. 5166, to authorize a constitutional convention in Alaska (H. Rept. 1025) (p. 8140).

10. MISSING PERSONS. Passed without amendment S. 2266, providing for extension of provisions of the missing persons act until July 1, 1956, in lieu of H. R. 6726 (p. 8140). This bill is now ready for the President.

11. ROADS. House conferees were appointed on S. 1464, the timber access roads bill (p. 8143). Senate conferees were appointed on June 27.

12. FOREST-MINING. House conferees were appointed on H. R. 5891, to provide for multiple use of the surface of public lands (p. 8143). Senate conferees have not been appointed.

13. GOVERNMENT SECURITY. Passed as reported H. J. Res. 157, to establish a Commission on Government Security (pp. 8143-4).

14. ORGANIZATION. Both Houses received a report from the Hoover Commission on intelligence activities (pp. 8067, 8150, 8145).

15. FOREIGN TRADE. Rep. Philbin protested the alleged injustices to American industry and commerce contained in the recent trade agreement with Japan (pp. 8145-6).

16. WATER RESOURCES. Rep. Holifield suggested political chicanery in the printing of the dissenting views to the Hoover Commission report on water resources and power, as the dissenting views were contained in a second volume without any reference made to them in the first volume, containing the majority views (pp. 8148-9).

17. WILDLIFE. Both Houses received a report from the Comptroller General on the audit of the Fish and Wildlife Service, Department of the Interior (pp. 8067, 8150).

and was one of the outstanding newspapermen of our time.

I call the attention of the Senate to the fact that he was a backer and sponsor of Mr. Silliman Evans, who became the publisher and president of the Nashville Tennessean. Mr. Evans went to Texas to attend the funeral services of his old friend and associate, Mr. Amon G. Carter, and the following morning Mr. Evans himself passed away while in Fort Worth.

Thus the Nation has lost two of its outstanding men in the newspaper field, and the South has lost two men who have fought valiantly for the economic and social development of our section.

PAN AMERICAN AIRLINES' 50,000TH FLIGHT ACROSS THE ATLANTIC

Mr. MONRONEY. Mr. President, with the departure of a Pan American DC-7B from Idlewild Field, New York City, at 5 p. m. this afternoon, Pan American Airlines will be making its 50,000th flight across the Atlantic.

The first flight was made 16 years ago, and since that time the airline has carried 2,021,483 passengers a total distance of 200 million miles across the ocean.

The captain of the first flight was Harold E. Gray, now executive vice president of Pan American.

During the 16 years, the airline has run up an impressive total of 24,540,000 pounds of airmail, the equivalent of 552 million letters. More than 35,275,394 pounds of cargo have been carried by air across the Atlantic. This would total more weight than 11,700 modern automobiles weigh. The categories of freight airlifted range from heavy machinery weighing more than a ton to dresses fresh from the showrooms of the Paris designers and weighing only ounces.

It is interesting to note that for 2 years before that first flight, 16 years ago, Pan American conducted survey flights, and collected all possible data to guide them in their operations. For 5 years before the first flight, expeditions had been conducted in the Arctic to compile the necessary information on Atlantic weather, communications problems, and flying conditions.

The visit of King George VI and his Queen had just been completed, and the World's Fair was in full swing in New York, when Pan American's flying boat, the *Yankee Clipper*, cut through the waters of Long Island Sound near Port Washington for its flight to Southampton, England.

Once a week the 42-ton flying boat, weighing only a little more than half the weight of modern clippers, followed the northern route to Europe. It had a speed of only 140 miles an hour, and often required more than 24 hours to make the trip to Europe. The route went via Bot-

wood, Newfoundland, and Foynes, Ireland, to Southampton. Each week the sister ship, the *Dixie Clipper*, flew the mid-Atlantic route through Bermuda, Horta in the Azores, Lisbon, Portugal, to Marseilles in France.

Often flights were long delayed because of high seas. Ice often held up flights in New York, and sometimes three-foot swells at the Azores could delay flights for days. With the war came intermediate landing fields, and the line changed over to landplanes.

The DC-4's came on the line in 1945, but as they were unpressurized, their altitude was limited to 10,000 feet. With the Constellation in 1946 came the first flights above weather, as the pressurized cabins permitted this new and safer service. This was followed in 1949 by the Boeing Stratocruiser, a double-deck all-sleeper plane, with horsepower rated at 3,500 per engine.

With new planes, including the Super-Stratocruiser, the Douglas DC-6B, and now the DC-7B, flying time has gone from the 140-mile-per-hour speed to 353 miles per hour. Instead of 24 hours required to reach London, the flying time today is only 11 hours. Within sight of early delivery is the new Douglas DC-7C, which will have a flight range of 5,000 miles.

The pioneers in transatlantic flying paid off big dividends during World War II, when experience, training, and weather knowledge made it possible for the United States to maintain close contacts with Europe by air. Among the famous persons flying to Europe by Pan American during the war was President Franklin D. Roosevelt, who flew to the Casablanca conference in 1943, marking the first time that a President had flown while in office. Others included Gen. Dwight D. Eisenhower, Gen. George C. Marshall, Queen Wilhelmina of the Netherlands, and many other notable persons.

The airlift of cargos was vital, too, and often dangerous. Under PAA's contract with the Air Transport Command, loaded shell fuses reached General Montgomery's troops at the critical moment before the battle of El Alamein.

Technically, the pilots say, progress has been made little by little during the past 16 years. The "least time track" has served to take advantage of the path having the most favorable tailwinds, so that in 1949 a record was set for New York to London nonstop of only 8 hours, 55 minutes.

Pressurized airplanes have made possible greater safety by flying over the weather, and have added much to passenger comfort as well. Radiophone has replaced the laborious dot-and-dash method. Navigation was greatly improved by the addition of the loran gear, a method of locating planes more ac-

curately while in flight, and improvements have been made in octants and in the installation of radio altimeters.

Longer range airplanes gave pilots more choices of alternates, and higher octane fuel provided more power for engines and lower fuel consumption. Supercharging and the use of power-recovery devices again improved performance. Bad weather landings were made safer by radar at airports. The logical outgrowth of ground radar is airborne radar, now just coming into use.

In addition to the improvement of flight techniques, additional services and travel plans have continued to build up a demand for transatlantic service. First came the off-season rates put into effect in the winter of 1947 to smooth out off-season peaks. Next came the inauguration in May 1952, of two-class service, and the inauguration of tourist trips at a 25-percent reduction in cost. Business increased some 69 percent in this innovation of lower cost fares. Other plans may lower present costs, with a projected family plan being readied for next fall.

While the service of transatlantic flying looms large in the international travel picture, we must never overlook its importance in keeping alive air transport that can be useful for our defense of the great Atlantic community. The long-range, four-engine fleet could deliver to Europe a total of 7,600 troops a day in case of need.

ADJOURNMENT

The VICE PRESIDENT. What is the pleasure of the Senate?

Mr. MONRONEY. Mr. President, pursuant to the order previously entered, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 1 minute p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Wednesday, June 29, 1955, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 28 (legislative day of June 27), 1955:

HOME LOAN BANK BOARD

William J. Hallahan, of Maryland, to be a member of the Home Loan Bank Board for a term of 4 years expiring June 30, 1959.

IN THE ARMY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of subsection 504 (d) of the Officer Personnel Act of 1947:

To be general

Gen. Matthew Bunker Ridgway, O5264, Army of the United States (major general, U. S. Army).

House of Representatives

TUESDAY, JUNE 28, 1955

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the great companion of our hearts and the counselor of our minds, Thy eternal truth is our light and Thy spirit of love the bond of unity among men and nations.

We penitently acknowledge that in these dark and perilous days the hope of establishing peace on earth seems at times so remote and unreal.

Help us to believe that there is no crisis we cannot face if our inner life is armored with Thy divine righteousness and controlled and guided by a desire to do Thy will.

Grant that our President, our Speaker, our Congress, and all who represent our beloved country in the field of international relations may be blessed with the art and the resources of statesmanship and diplomacy but above all with a faith that never wavers and a courage that never falters.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McBride, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 800. An act to amend section 1201 of title 18 of the United States Code to authorize the Federal Bureau of Investigation to initiate investigation of any kidnaping in which the victim has not been released within 24 hours after his seizure;

H. R. 935. An act for the relief of Mrs. Marion Josephine Monnell;

H. R. 943. An act for the relief of Luzie Biondo (Luzie M. Schmidt);

H. R. 968. An act for the relief of Max Kozlowski;

H. R. 973. An act for the relief of Mrs. Elizabeth Dowds;

H. R. 977. An act for the relief of Mrs. Ellen Hillier;

H. R. 988. An act for the relief of Susanne Fellner;

H. R. 995. An act for the relief of Frieda Quiring and Tina Quiring;

H. R. 997. An act for the relief of Irmgard Emilie Krepps;

H. R. 998. An act for the relief of Melko Shikibu;

H. R. 1028. An act for the relief of Melina Bonton;

H. R. 1047. An act for the relief of Armenouhi Assadour Artinian;

H. R. 1083. An act for the relief of Robert Shen-yen Hou-ming Lieu;

H. R. 1157. An act for the relief of Milad S. Isaac;

H. R. 1158. An act for the relief of Emanuel Frangeskos;

H. R. 1205. An act for the relief of Cynthia Jacob;

H. R. 1299. An act for the relief of Miss Toshiko Hozaka and her child, Roger;

H. R. 1300. An act for the relief of Luther Rose;

H. R. 1337. An act for the relief of Victorine May Donaldson;

H. R. 2973. An act to provide for the conveyance of all right, title, and interest of the United States in a certain tract of land in Macon County, Ga., to the Georgia State Board of Education; and

H. R. 4549. An act for the relief of John J. Braund.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3359. An act for the relief of Raymond George Palmer.

The message also announced that the Senate had passed bills, a joint resolution, and concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. 288. An act to provide for the reimbursement of Meadow School District No. 29, Upham, N. Dak., for loss of revenue resulting from the acquisition of certain lands within such school district by the Department of the Interior;

S. 501. An act for the relief of Kl Young Kwan;

S. 578. An act for the relief of Edmund Lowe and Richard Lowe;

S. 871. An act for the relief of Dominic Gaetano Morin;

S. 1159. An act for the relief of Wilma Ann Schilling and her daughter, Ingertraud Rosalita Schilling;

S. 1522. An act for the relief of Lieselotte Brodzinski Gettman;

S. J. Res. 21. Joint resolution to establish a Commission on Government Security;

S. Con. Res. 42. Concurrent resolution favoring the suspension of deportation in the case of certain aliens; and

S. Con. Res. 45. Concurrent resolution providing for the reenrollment of S. 195, for the relief of Giuseppe Minardi.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 4904) entitled "An act to extend the Renegotiation Act of 1951 for 2 years," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD, Mr. GEORGE, Mr. KERR, Mr. MILLIKIN, and Mr. MARTIN of Pennsylvania to

be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1464) entitled "An act to authorize the Secretary of the Interior to acquire certain rights-of-way and timber-access roads," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. ANDERSON, Mr. NEUBERGER, Mr. MALONE, and Mr. DWORSHAK to be the conferees on the part of the Senate.

APPROPRIATIONS FOR DEPARTMENT OF COMMERCE AND RELATED AGENCIES, 1956

Mr. PRESTON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on the bill (H. R. 6367), making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 994)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 3, 6, 7, 9, 13, 14, 22, 25, 37, 42, and 44.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 8, 10, 12, 18, 35, 36, 38, 39, 41, 45, and 46 and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$6,900,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$106,150,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$52,500,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$2,000,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$2,650,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$82,500"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "construction as authorized by sections 701 and 702 of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1191, 1192), of one prototype tanker; for"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$86,450,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,000,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$110,000,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the number proposed in said amendment insert "nineteen hundred and fifty"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$14,350,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,215,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$7,180,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$640,000,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert "\$288,500,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$21,750,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "which sum is composed of \$19,000,000, the remainder of the amount authorized to be appropriated for the fiscal year 1955, and \$2,750,000,"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$275,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 29, 30, 40, 43, 47, and 48.

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Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF COMMERCE

Office of the Secretary

Amendment No. 1—Salaries and expenses: Appropriates \$2,172,000 as proposed by the House instead of \$2,217,300 as proposed by the Senate.

Bureau of the Census

Amendment No. 2—Salaries and expenses: Appropriates \$6,900,000 instead of \$6,200,000 as proposed by the House and \$7,100,000 as proposed by the Senate.

Amendment No. 3—Intercensal Housing Survey: Deletes appropriation of \$500,000 proposed by the Senate.

Civil Aeronautics Administration

Amendment No. 4—Operation and regulation: Appropriates \$106,150,000 instead of \$103,000,000 as proposed by the House and \$107,125,000 as proposed by the Senate. The conferees direct that within the amount provided no stations or facilities now operating

be discontinued by the Civil Aeronautics Administration, until after there is reported for consideration by the Appropriation Committees of the Senate and the House of Representatives a comprehensive plan for future air traffic control routes, facilities, and stations. In any event such a plan shall be submitted prior to the consideration of the budget for fiscal year 1957.

Amendment No. 5—Establishment of air-navigation facilities: Appropriates \$16,000,000 as proposed by the Senate instead of \$18,500,000 as proposed by the House.

Amendment No. 6—Maintenance and operation, Washington National Airport: Appropriates \$1,350,000 as proposed by the House instead of \$1,415,000 as proposed by the Senate.

Amendment No. 7—Maintenance and operation of public airports, Territory of Alaska: Appropriates \$600,000 as proposed by the House instead of \$750,000 as proposed by the Senate.

Amendment No. 8—Air navigation development: Provides \$175,000 for administrative expenses as proposed by the Senate instead of \$50,000 as proposed by the House.

Amendment No. 9—Air navigation development: Appropriates \$1,050,000 as proposed by the House instead of \$1,600,000 as proposed by the Senate.

Civil Aeronautics Board

Amendment No. 10—Salaries and expenses: Appropriates \$4,125,000 as proposed by the Senate instead of \$3,900,000 as proposed by the House.

Amendment No. 11—Payments to air carriers: Appropriates \$52,500,000 instead of \$40,000,000 as proposed by the House and \$55,000,000 as proposed by the Senate.

Coast and Geodetic Survey

Amendment No. 12—Salaries and expenses: Appropriates \$10,225,000 as proposed by the Senate instead of \$10,200,000 as proposed by the House.

Business and Defense Services Administration

Amendment No. 13—Salaries and expenses: Appropriates \$6,198,000 as proposed by the House instead of \$6,975,000 as proposed by the Senate.

Amendment No. 14—Salaries and expenses: Strikes provision to make \$345,000 available only to the Area Development Division as proposed by the Senate.

Bureau of Foreign Commerce

Amendment No. 15—Salaries and expenses: Appropriates \$2,000,000 instead of \$1,800,000 as proposed by the House and \$2,200,000 as proposed by the Senate.

Amendment No. 16—Export control: Appropriates \$2,650,000 instead of \$2,500,000 as proposed by the House and \$2,800,000 as proposed by the Senate.

Amendment No. 17—Export control: Provides \$82,500 for advance to "Salaries and expenses", Office of the Secretary, instead of \$75,000 as proposed by the House and \$90,000 as proposed by the Senate.

Office of Business Economics

Amendment No. 18—Salaries and expenses: Appropriates \$900,000 as proposed by the Senate instead of \$975,000 as proposed by the House.

Maritime Activities

Amendment No. 19—Ship construction: Provides for the construction of one prototype tanker as authorized by sections 701 and 702 of the Merchant Marine Act, 1936, instead of one prototype tanker and two prototype cargo ships as proposed by the Senate.

Amendment No. 20—Ship construction: Appropriates \$86,450,000 instead of \$64,700,000 as proposed by the House and \$102,800,000 as proposed by the Senate. The amount agreed upon includes \$10,000,000 for one prototype tanker, \$44,750,000 for title V construction, \$23,000,000 for the tanker trade-

in-and-build program, \$4,200,000 for acquisition of cargo ships, \$2,500,000 for the research and development program, and \$2,000,000 for administrative and warehouse expenses.

Amendment No. 21—Ship construction: Provides that not to exceed \$1,000,000 may be transferred to "Salaries and expenses" instead of \$900,000 as proposed by the House and \$1,275,000 as proposed by the Senate.

Amendment No. 22—Ship construction: Restores language proposed by the House and stricken by the Senate.

Amendment No. 23—Operating-differential subsidies: Appropriates \$110,000,000 instead of \$90,000,000 as proposed by the House and \$115,000,000 as proposed by the Senate.

Amendment No. 24—Operating-differential subsidies: Provides a limitation of 1,950 voyages instead of 1,847 as proposed by the House and 2,000 as proposed by the Senate.

Amendment No. 25—Operating-differential subsidies: Restores language proposed by the House and stricken by the Senate.

Amendment No. 26—Salaries and expenses: Appropriates \$14,350,000 instead of \$14,000,000 as proposed by the House and \$14,700,000 as proposed by the Senate.

Amendment No. 27—Salaries and expenses: Provides \$1,215,000 for maintenance of shipyard facilities and operation of warehouse instead of \$1,085,000 as proposed by the House and \$1,345,000 as proposed by the Senate.

Amendment No. 28—Salaries and expenses: Provides \$7,180,000 for reserve fleet expenses instead of \$6,960,000 as proposed by the House and \$7,400,000 as proposed by the Senate.

Amendment No. 29—Vessel operations revolving fund: Reported in disagreement.

Amendment No. 30—Inland Waterways Corporation: Reported in disagreement.

Bureau of Public Roads

Amendment No. 31—Federal-aid highways: Appropriates \$640,000,000 instead of \$600,000,000 as proposed by the House and \$680,000,000 as proposed by the Senate.

Amendment No. 32—Federal-aid highways: Provides that \$288,500,000 shall be applied to the fiscal year 1955 authorization instead of \$248,500,000 as proposed by the House and \$328,500,000 as proposed by the Senate.

Amendment No. 33—Forest highways: Appropriates \$21,750,000 instead of \$18,500,000 as proposed by the House and \$25,000,000 as proposed by the Senate.

Amendments Nos. 34 and 35—Forest highways: Provide that, of the amount appropriated, \$19,000,000 shall be applied against the authorization for 1955 and \$2,750,000 shall be applied against the amount authorized for 1956.

Amendment No. 36—Inter-American Highway: Appropriates \$25,250,000 and authorizes the purchase of 5 passenger motor vehicles as proposed by the Senate instead of \$8,000,000 as proposed by the House.

National Bureau of Standards

Amendment No. 37—Expenses: Appropriates \$7,000,000 as proposed by the House instead of \$7,450,000 as proposed by the Senate.

Amendment No. 38—Plant and equipment: Provides for the construction of an electronic calibration center as proposed by the Senate.

Weather Bureau

Amendment No. 39—Salaries and expenses: Appropriates \$32,000,000 as proposed by the Senate instead of \$29,900,000 as proposed by the House.

Amendment No. 40—Salaries and expenses: Reported in disagreement.

Amendment No. 41—Establishment of meteorological facilities: Appropriates \$7,500,000 as proposed by the Senate instead of \$5,000,000 as proposed by the House.

General Provisions—Department of Commerce

Amendment No. 42: Strikes language proposed by the Senate.

Amendment No. 43: Reported in disagreement.

TITLE II—THE PANAMA CANAL Canal Zone Government

Amendment No. 44—Operating expenses: Appropriates \$14,500,000 as proposed by the House instead of \$14,800,000 as proposed by the Senate.

Amendment No. 45—Capital outlay: Authorizes the purchase of 8 passenger motor vehicles for replacement only as proposed by the Senate instead of 9 as proposed by the House.

Panama Canal Company

Amendment No. 46: Provides that not to exceed \$3,740,000 of the funds available to the Panama Canal Company shall be available for administrative expenses as proposed by the Senate instead of \$3,589,000 as proposed by the House.

General Provisions—The Panama Canal

Amendment No. 47: Reported in disagreement.

Amendment No. 48: Reported in disagreement.

The conferees on the part of the House and the Senate agree that the language of the House report with regard to free kindergarten instruction to children of United States citizens in the Canal Zone should prevail.

TITLE III—INDEPENDENT AGENCIES

Advisory Committee on Weather Control

Amendment No. 49—Salaries and expenses: Appropriates \$275,000 instead of \$175,000 as proposed by the House and \$295,000 as proposed by the Senate.

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Managers on the Part of the House.

PERMISSION TO SIT DURING SESSION OF THE HOUSE TODAY

Mr. KELLEY of Pennsylvania. Mr. Speaker, I ask unanimous consent that a subcommittee of the Committee on Education and Labor dealing with school construction may sit this afternoon during general debate in the House.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BAILEY. Mr. Speaker, I ask unanimous consent that a special subcommittee of the Committee on Education and Labor dealing with Public Laws 815 and 874 may be permitted to sit during general debate in the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

SPECIAL ORDER GRANTED

Mr. STAGGERS asked and was given permission to address the House for 5

minutes today following the legislative business of the day and any special orders heretofore entered.

ALASKA TIDELANDS

(Mr. BARTLETT asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BARTLETT. Mr. Speaker, I am today introducing a bill conveying title in Alaska tidelands to the Territory of Alaska.

In general, the provisions of this bill follow those of the Submerged Lands Act of 1953. The bill, among other things, transfers ownership of the lands beneath those navigable waters lying within the boundaries of the Territory of Alaska to the people of the Territory, and likewise gives them ownership of and management powers over natural resources in and under these waters. Such resources include fish; management of that resource has been sought by the citizens of the Territory for ever so long. It is interesting to note that the statehood bill which was recently before this House used the language of the Submerged Lands Act of 1953 in pointing out and emphasizing that the fishery resource should go to Alaska instead of having ownership and management remain in the Federal Government.

The bill expressly provides that the Territory may not sell the submerged lands or any of the natural resources. The bill requires that development of such resources shall proceed only under leasing arrangements in accordance with laws to be passed by the Legislature of Alaska.

Mr. Speaker, I trust that early and affirmative consideration may be given this proposed legislation. During the many discussions of and debates on Alaska statehood it has not been argued to my recollection that the Federal Government has ever done enough for Alaska in the way of making resources available so that proper development may be accomplished under sound conservation policies. The great land has been locked up; this is an effort to turn the key part way in that lock. Under Federal management policies, which at one time blow hot and at another time blow cold, and which are always attended by the limitations inherent in a vast Federal bureaucracy, we can look forward to little in the future if the experiences of the past are duplicated. Here we seek to strike out for ourselves in a search for long-delayed utilization of our resources. Such utilization will, I am confident, proceed under soundest policies not only because it will be the intent and desire of Alaskans to have it so but because the bill itself through its leasing requirements will prevent any giveaways.

Enactment of this bill and enactment of other bills to give Alaska more home rule and more opportunity for growth certainly should be granted now that statehood has been denied us. I have a bill pending to transfer to the Territory of Alaska 20 million acres out of the vast Federal holding amounting to over 350 million acres. I have other bills approval of which would, I am sure, place Alaska

DEPARTMENT OF COMMERCE AND RELATED AGENCIES
APPROPRIATION BILL, 1956

JUNE 28, 1955.—Ordered to be printed

Mr. PRESTON, from the committee of conference, submitted the
following

CONFERENCE REPORT

[To accompany H. R. 6367]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 3, 6, 7, 9, 13, 14, 22, 25, 37, 42, and 44.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 8, 10, 12, 18, 35, 36, 38, 39, 41, 45, and 46, and agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$6,900,000; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$106,150,000; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$52,500,000; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,000,000; and the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,650,000; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$82,500; and the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows:

In lieu of the matter proposed by said amendment insert *construction as authorized by sections 701 and 702 of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1191, 1192), of one prototype tanker; for*; and the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$86,450,000; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,000,000; and the Senate agree to the same.

Amendment numbered 23:

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In lieu of the sum proposed by said amendment insert \$110,000,000; and the Senate agree to the same.

Amendment numbered 24:

That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows:

In lieu of the number proposed in said amendment insert *nineteen hundred and fifty*; and the Senate agree to the same.

Amendment numbered 26:

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$14,350,000; and the Senate agree to the same.

Amendment numbered 27:

That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,215,000; and the Senate agree to the same.

Amendment numbered 28:

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$7,180,000; and the Senate agree to the same.

Amendment numbered 31:

That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$640,000,000; and the Senate agree to the same.

Amendment numbered 32:

That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$288,500,000; and the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$21,750,000; and the Senate agree to the same.

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That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following: , *which sum is composed of \$19,000,000, the remainder of the amount authorized to be appropriated for the fiscal year 1955, and \$2,750,000, ;* and the Senate agree to the same.

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That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$275,000; and the Senate agree to the same.

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STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The Managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

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Amendment No. 1—*Salaries and expenses*: Appropriates \$2,172,000 as proposed by the House instead of \$2,217,300 as proposed by the Senate.

BUREAU OF THE CENSUS

Amendment No. 2—*Salaries and expenses*: Appropriates \$6,900,000 instead of \$6,200,000 as proposed by the House and \$7,100,000 as proposed by the Senate.

Amendment No. 3—*Intercensal housing survey*: Deletes appropriation of \$500,000 proposed by the Senate.

CIVIL AERONAUTICS ADMINISTRATION

Amendment No. 4—*Operation and regulation*: Appropriates \$106,150,000 instead of \$103,000,000 as proposed by the House and \$107,125,000 as proposed by the Senate. The conferees direct that within the amount provided no stations or facilities now operating be discontinued by the Civil Aeronautics Administration, until after there is reported for consideration by the Appropriation Committees of the Senate and the House of Representatives a comprehensive plan for future air-traffic-control routes, facilities, and stations. In any event such a plan shall be submitted prior to the consideration of the budget for fiscal year 1957.

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CIVIL AERONAUTICS BOARD

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BUSINESS AND DEFENSE SERVICES ADMINISTRATION

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BUREAU OF FOREIGN COMMERCE

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OFFICE OF BUSINESS ECONOMICS

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Amendment No. 19—*Ship construction*: Provides for the construction of 1 prototype tanker as authorized by sections 701 and 702 of the Merchant Marine Act, 1936, instead of 1 prototype tanker and 2 prototype cargo ships as proposed by the Senate.

Amendment No. 20—*Ship construction*: Appropriates \$86,450,000 instead of \$64,700,000 as proposed by the House and \$102,800,000 as proposed by the Senate. The amount agreed upon includes \$10,000,000 for one prototype tanker, \$44,750,000 for title V construction, \$23,000,000 for the tanker trade-in-and-build program, \$4,200,000 for

acquisition of cargo ships, \$2,500,000 for the research and development program, and \$2,000,000 for administrative and warehouse expenses.

Amendment No. 21—*Ship construction*: Provides that not to exceed \$1,000,000 may be transferred to "Salaries and expenses" instead of \$900,000 as proposed by the House and \$1,275,000 as proposed by the Senate.

Amendment No. 22—*Ship construction*: Restores language proposed by the House and stricken by the Senate.

Amendment No. 23—*Operating-differential subsidies*: Appropriates \$110,000,000 instead of \$90,000,000 as proposed by the House and \$115,000,000 as proposed by the Senate.

Amendment No. 24—*Operating-differential subsidies*: Provides a limitation of 1,950 voyages instead of 1,847 as proposed by the House and 2,000 as proposed by the Senate.

Amendment No. 25—*Operating-differential subsidies*: Restores language proposed by the House and stricken by the Senate.

Amendment No. 26—*Salaries and expenses*: Appropriates \$14,350,000 instead of \$14,000,000 as proposed by the House and \$14,700,000 as proposed by the Senate.

Amendment No. 27—*Salaries and expenses*: Provides \$1,215,000 for maintenance of shipyard facilities and operation of warehouse instead of \$1,085,000 as proposed by the House and \$1,345,000 as proposed by the Senate.

Amendment No. 28—*Salaries and expenses*: Provides \$7,180,000 for reserve-fleet expenses instead of \$6,960,000 as proposed by the House and \$7,400,000 as proposed by the Senate.

Amendment No. 29—*Vessel operations revolving fund*: Reported in disagreement.

Amendment No. 30—*Inland Waterways Corporation*: Reported in disagreement.

BUREAU OF PUBLIC ROADS

Amendment No. 31—*Federal-aid highways*: Appropriates \$640,000,000 instead of \$600,000,000 as proposed by the House and \$680,000,000 as proposed by the Senate.

Amendment No. 32—*Federal-aid highways*: Provides that \$288,500,000 shall be applied to the fiscal year 1955 authorization instead of \$248,500,000 as proposed by the House and \$328,500,000 as proposed by the Senate.

Amendment No. 33—*Forest highways*: Appropriates \$21,750,000 instead of \$18,500,000 as proposed by the House and \$25,000,000 as proposed by the Senate.

Amendments Nos. 34 and 35—*Forest highways*: Provide that, of the amount appropriated, \$19,000,000 shall be applied against the authorization for 1955 and \$2,750,000 shall be applied against the amount authorized for 1956.

Amendment No. 36—*Inter-American Highway*: Appropriates \$25,250,000 and authorizes the purchase of five passenger motor vehicles as proposed by the Senate instead of \$8,000,000 as proposed by the House.

NATIONAL BUREAU OF STANDARDS

Amendment No. 37—*Expenses*: Appropriates \$7,000,000 as proposed by the House instead of \$7,450,000 as proposed by the Senate.

Amendment No. 38—*Plant and equipment*: Provides for the construction of an electronic calibration center as proposed by the Senate.

WEATHER BUREAU

Amendment No. 39—*Salaries and expenses*: Appropriates \$32,000,000 as proposed by the Senate instead of \$29,900,000 as proposed by the House.

Amendment No. 40—*Salaries and expenses*: Reported in disagreement.

Amendment No. 41—*Establishment of meteorological facilities*: Appropriates \$7,500,000 as proposed by the Senate instead of \$5,000,000 as proposed by the House.

GENERAL PROVISIONS—DEPARTMENT OF COMMERCE

Amendment No. 42: Strikes language proposed by the Senate.

Amendment No. 43: Reported in disagreement.

TITLE II—THE PANAMA CANAL

CANAL ZONE GOVERNMENT

Amendment No. 44—*Operating expenses*: Appropriates \$14,500,000 as proposed by the House instead of \$14,800,000 as proposed by the Senate.

Amendment No. 45—*Capital outlay*: Authorizes the purchase of 8 passenger motor vehicles for replacement only as proposed by the Senate instead of 6 as proposed by the House.

PANAMA CANAL COMPANY

Amendment No. 46: Provides that not to exceed \$3,740,000 of the funds available to the Panama Canal Company shall be available for administrative expenses as proposed by the Senate instead of \$3,589,000 as proposed by the House.

GENERAL PROVISIONS—THE PANAMA CANAL

Amendment No. 47: Reported in disagreement.

Amendment No. 48: Reported in disagreement.

The conferees on the part of the House and the Senate agree that the language of the House report with regard to free kindergarten instruction to children of United States citizens in the Canal Zone should prevail.

TITLE III—INDEPENDENT AGENCIES

ADVISORY COMMITTEE ON WEATHER CONTROL

Amendment No. 49—*Salaries and expenses*: Appropriates \$275,000 instead of \$175,000 as proposed by the House and \$295,000 as proposed by the Senate.

PRINCE H. PRESTON,
ALBERT THOMAS,
JOHN J. ROONEY,
SIDNEY R. YATES,
JOHN F. SHELLEY,
DANIEL J. FLOOD,
CLARENCE CANNON,
CLIFF CLEVINGER,
FRANK T. BOW,
EDWARD T. MILLER,
JOHN TABER,

Managers on the Part of the House.



5. FOREIGN TRADE. The Rules Committee reported a resolution, providing for consideration of, one hour of debate on, waiving points of order against, and limiting amendments to, H. R. 6059, to authorize the President to enter into an agreement with the Philippines to revise the 1946 trade agreement (H. Rept. 988) (p. 8051).

6. PRINTING. The Rules Committee reported with amendment H. Res. 262, authorizing the House Administration Committee to make studies relative to unnecessary Government printing and paperwork (H. Rept. 989) (p. 8054).

HOUSE (JUNE 29)

7. APPROPRIATIONS. Both Houses agreed to the conference report on the Commerce Department appropriation bill for 1956 (pp. 8069-72, 8105-6). This bill is now ready for the President.

~~Received the conference report on H. R. 6239, the D. C. appropriation bill for 1956 (H. Rept. 1031) (pp. 8104-5).~~

~~Received the conference report on H. R. 6042, the Defense Department appropriation bill for 1956 (H. Rept. 1030) (pp. 8108-9).~~

8. FOREIGN AID. Continued debate of S. 2090, the mutual security aid bill (pp. 8109-40).

9. ALASKA STATEHOOD. The Rules Committee reported a privileged resolution providing for debate of H. R. 5166, to authorize a constitutional convention in Alaska (H. Rept. 1025) (p. 8140).

10. MISSING PERSONS. Passed without amendment S. 2266, providing for extension of provisions of the missing persons act until July 1, 1956, in lieu of H. R. 6726 (p. 8140). This bill is now ready for the President.

11. ROADS. House conferees were appointed on S. 1464, the timber access roads bill (p. 8143). Senate conferees were appointed on June 27.

12. FOREST-MINING. House conferees were appointed on H. R. 5891, to provide for multiple use of the surface of public lands (p. 8143). Senate conferees have not been appointed.

13. GOVERNMENT SECURITY. Passed as reported H. J. Res. 157, to establish a Commission on Government Security (pp. 8143-4).

14. ORGANIZATION. Both Houses received a report from the Hoover Commission on intelligence activities (pp. 8067, 8150, 8145).

15. FOREIGN TRADE. Rep. Philbin protested the alleged injustices to American industry and commerce contained in the recent trade agreement with Japan (pp. 8145-6).

16. WATER RESOURCES. Rep. Holifield suggested political chicanery in the printing of the dissenting views to the Hoover Commission report on water resources and power, as the dissenting views were contained in a second volume without any reference made to them in the first volume, containing the majority views (pp. 8148-9).

17. WILDLIFE. Both Houses received a report from the Comptroller General on the audit of the Fish and Wildlife Service, Department of the Interior (pp. 8067, 8150).

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued June 30, 1955

For actions of June 29, 1955

84th-1st, No. 110

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate committee reported bill to extend public debt limit. Senate passed bill to provide retirement credit for certain State service. House debated mutual security bill. House subcommittee approved bill providing retirement credit for State service. House passed bill to establish commission on Government security. Both Houses agreed to conference report on Commerce appropriation bill. House received conference report on defense appropriation bill.

HOUSE (JUNE 28)

1. SELECTIVE SERVICE. Both Houses agreed to the conference report on H. R. 3005, to extend the Selective Service Act until July 1, 1959 (pp. 7981-2, 8015-25). This bill is now ready for the President.
2. APPROPRIATIONS. Received the conference report (H. Rept. 994) on H. R. 6367, the Commerce Department appropriation bill (pp. 8010-2).
Received, from the President, a proposed indefinite appropriation and draft of proposed provisions pertaining to increased pay costs for the fiscal year 1955 (H. Doc. 197) (p. 8060). Attached to this Digest is the complete language of the proposal.
3. DEFENSE PRODUCTION. Both Houses passed without amendment S. J. Res. 85, to extend for one month the National Housing Act, the Defense Production Act, and the Small Business Act (pp. 8053-4, 7960). This measure is now ready for the President.
4. ORGANIZATION. Both Houses received the final report of the Commission on Intergovernmental Relations (H. Doc. 198) (pp. 7957, 8013).

facilities; the handling of the warehousing and storage problems of the executive agencies; the management of the Government's traffic functions; and the handling of Government records.

AMENDMENT OF TENNESSEE VALLEY AUTHORITY ACT OF 1933

Mr. KERR. Mr. President, I introduce, for appropriate reference, a bill to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes. I ask unanimous consent that a statement, prepared by me, relating to the bill, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 2378) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes, introduced by Mr. KERR, was received, read twice by its title, and referred to the Committee on Public Works.

The statement presented by Mr. KERR is as follows:

STATEMENT BY SENATOR KERR

The proposed legislation would provide new sources of capital for the TVA power system to finance new generating capacity as it is required by the growing demands of the region.

Principal provisions of the bill are as follows:

1. TVA would be empowered to issue its own revenue bonds to be secured by power revenues and to be sold to private investors. TVA bonds would not be guaranteed by the Treasury, and would not add to the national debt.

2. It is also contemplated that additional power capacity might be made available to TVA under power purchase, lease, or lease-purchase agreements with agencies of the region which could finance new construction.

3. The new financing measures would be supplementary to present sources of capital, namely the appropriations provided by Congress and the revenues available from TVA power operations.

4. TVA would be required to pay into the Treasury a return on the net appropriations made for power purposes, at the average cost of money on the Treasury's marketable obligations. In lieu of the present requirement that TVA repay within 40 years appropriated funds invested in power, TVA would be required either to reinvest from revenues at least the equivalent of depreciation accruals, or reduce its capital obligations correspondingly, thereby maintaining the security of the Government's investment.

5. TVA would charge rates adequate to cover its operating expenses, statutory payments to States and counties in lieu of taxes, interest, and principal on bonds, payment of the return to the Treasury, and such a margin as would be desirable in TVA's judgment, consistent with maintaining the lowest practicable rates.

6. The TVA Board would continue to report its power operations and budget programs annually to the President and the Congress.

7. The receipts and expenditures of the TVA power system would not be considered in determining the amount of any national budgetary deficit or surplus, except as Congress may provide appropriations in the future and except for payments made by TVA to the Treasury for return on, or repayment of the Federal investment in the TVA power system.

TERMS OF OFFICE FOR MEMBERS OF SUBVERSIVE ACTIVITIES CONTROL BOARD—AMENDMENT OF SUBVERSIVE ACTIVITIES CONTROL ACT

Mr. EASTLAND. Mr. President, I introduce two bills, and ask that they be received and referred to the Committee on the Judiciary.

The need for both these measures was clearly indicated in a recent conference between members of the Subversive Activities Control Board, representatives of the Department of Justice, and members of the Senate Internal Security Subcommittee, which is charged with observing administration of the Subversive Activities Control Act.

One of these bills would extend the term of members of the SACB from 3 years to 5. As the subcommittee pointed out in a report just made public, the Subversive Activities Control Board is a continuing body, with highly important functions of a quasi-judicial nature. Board members have many duties similar to the duties of a judge. Experience has shown that Board members grow in their capacity to handle their work as their knowledge in this special field increases.

In addition to providing for the longer period of service, this bill would fix the terms so that one would expire each year, thus assuring a continuing membership. Any member appointed to fill a vacancy occurring prior to the expiration of the term to which his predecessor was appointed would serve only for the remainder of that term, unless he should then be appointed to succeed himself.

The other measure would provide a means by which an applicant for Government employment, who believes he is barred by derogatory reports against him, could have those reports evaluated.

Under this bill, the evaluation would be undertaken by the Subversive Activities Control Board and the process could be used by an applicant either for a Government job or for work with a Government contractor, or for active military service.

At present, contractors in Government work will not employ persons on a job where security clearance is required, if anything of a derogatory character appears in the application for employment.

Security clearance may be obtained now only if a person is employed. Thus, the employer, if he desires to use the individual's services, must keep him on an unclassified job until his security status can be established. The proposed new procedure would entitle an applicant, if his record is satisfactorily explained, to a certificate of clearance.

This legislation would not exempt an applicant for Government employment from the customary agency loyalty procedures nor would it authorize the Board to entertain an appeal from any loyalty board decisions.

It is intended primarily to give an applicant for employment an opportunity to clear his record, if he considers that he has been denied employment in either of the three categories because

of derogatory information possessed by any Government agency.

The procedure is simple. The individual would apply to the Board for a decision, declaring his loyalty to the Government of the United States; and give a full statement of the denial of his application for employment, and of the basis for his belief that the denial was based on derogatory information concerning him.

The Board will assign the case to an examiner, who will assemble, review, and evaluate all information possessed by any Government agency regarding the applicant. He also may take an oral or written statement from the applicant.

The Board will designate one of its members to review and take action on the examiner's report. If no probable ground has been found for belief that the applicant is a security risk, a certificate of that finding would be issued. If the inquiry shows otherwise, the Board will give the applicant written notice and no further action will be taken by the Board or any other Government agency.

If an employment officer, knowing that an applicant has been given a security certificate, denies him work solely on the ground of unevaluated derogatory information, the employment officer is subject to a fine of \$1,000 or imprisonment, or both.

I believe that these two proposals are sound and necessary and merit the favorable consideration of the Congress.

The VICE PRESIDENT. The bills will be received and appropriately referred.

The bills, introduced by Mr. EASTLAND, were received, read twice by their titles, and referred to the Committee on the Judiciary, as follows:

S. 2375. A bill to provide for 5-year terms of office for members of the Subversive Activities Control Board with one of such terms expiring in each calendar year; and

S. 2376. A bill to amend the Subversive Activities Control Act of 1950 to provide for the preliminary evaluation of derogatory information concerning individuals seeking Government employment, and for other purposes.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. NEUBERGER:

Statement prepared by the National Jewish Welfare Board entitled "The Jewish Community Center: Hub of Good Citizenship."

DEPARTMENT OF COMMERCE AND RELATED AGENCIES APPROPRIATIONS—CONFERENCE REPORT

Mr. HOLLAND. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for

other purposes. I ask unanimous consent for the present consideration of the report.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of June 28, 1955, p. 8011, CONGRESSIONAL RECORD.)

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield for a brief question?

Mr. HOLLAND. I yield.

Mr. JOHNSON of Texas. Is this a unanimous report on the part of the Senate conferees?

Mr. HOLLAND. It is unanimous on the part of the Senate conferees. It is unanimous on the part of the House conferees, except for the fact that one conferee, Mr. HORAN, of Washington, was not present. There was no dissent of any kind on the part of any conferee who participated.

Mr. JOHNSON of Texas. I thank the Senator, and congratulate him upon another job well done.

Mr. HOLLAND. I thank the distinguished majority leader.

Mr. President, I think it will be unnecessary to make any exhaustive report, other than that which is made in the formal conference report. As usual, the managers on the part of the House have made a somewhat more extended statement, and the fact that that statement and the conference report have been immediately accepted by the House indicates rather clearly that there is no serious trouble in connection with the conference report.

It might be well to say that, in connection with the increase made by the Senate in the appropriations for the Federal-aid road program, the Senate conferees and the House conferees divided the difference between the two bills. Senators will remember that the Senate, in this field, stepped up the House appropriation by \$80 million, and that amount was divided in half.

In connection with the appropriation for the Civil Aeronautics Board for subsidies for air carriers, Senators will remember that the House amount was \$40 million. The Senate amount was \$55 million. The amount shown by the conference is \$52,500,000.

In the matter of subsidies for maritime carriers, Senators will recall that the House amount was \$90 million. The Senate amount was the budget amount of \$115 million. The amount in the conference report is \$110 million.

There are two other items which I should like to mention specifically. One

is that the Senate amount, which would permit the handling of the full first year's program of the accelerated inter-American highway construction, was accepted by the House, so that the full amount of authorizations now available, that is \$25,250,000, is covered by the appropriation, as shown by the conference report, and is available in the first year, that is, in fiscal 1956.

Also, I should like to have the RECORD show that the amendment offered by the distinguished Senator from Rhode Island [Mr. GREEN] to the Weather Bureau appropriation, covering an enlarged program for the acquisition of new facilities to allow improved hurricane warning service, tornado warning service, and heavy storm warning service was agreed to by the House. It was in the amount of \$2,500,000 to be available over the next 4 years. The House accepted that floor amendment which increased that item to \$7,500,000, and also accepted the amendment of \$2,100,000, which was in the Senate bill, over and above the amount provided by the House bill for annual operations in that same field of activity in fiscal 1956.

Mr. President, if there are any questions with respect to any features of the bill, I shall be glad to attempt to answer them.

In closing, let me repeat that the Senate conferees were unanimous. The House conferees were unanimous, except that one of them was not in the city and could not participate.

So far as I know, the entire conference was pleasantly and agreeably concluded with the unanimous concurrence of all who could participate.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 6367, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.

June 29, 1955.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 30, 40, and 47 to the bill (H. R. 6367) entitled "An act making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes," and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 43, and concur therein with an amendment, as follows: Change "SEC. 105." to "SEC. 104."

That the House recede from its disagreement to the amendment of the Senate numbered 29, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"Vessel operations revolving fund: Hereafter the vessel operations revolving fund, created by the Third Supplemental Appropria-

tion Act, 1951, shall be available for necessary expenses incurred, in connection with protection, preservation, maintenance, acquisition, or use of vessels involved in mortgage-foreclosure or forfeiture proceedings instituted by the United States, including payment of prior claims and liens, expenses of sale, or other charges incident thereto; for necessary expenses incident to the redelivery and lay-up, in the United States, of ships now chartered under agreements which do not call for their return to the United States; and for payment of expenses of custody and husbanding of Government-owned ships other than those within reserve fleets: *Provided*, That not to exceed \$1,500,000 of the funds of the vessel operations revolving fund may be used during the fiscal year 1956 for the purposes set forth in this paragraph."

That the House recede from its disagreement to the amendment of the Senate numbered 48, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 206. Notwithstanding the provisions of any other law, the officer of the Army now serving as Governor of the Canal Zone shall, effective upon the day preceding his retirement, be considered to hold the grade of major general for all purposes, without regard to any limitations on the number of officers in that grade, and shall receive the pay and allowances of an officer of that grade and his length of service, and when retired under any provision of law shall be advanced on the retired list to such grade and shall receive the retired or retirement pay at the rate prescribed by law computed on the basis of the basic pay which he would receive if serving on active duty in such grade."

Mr. HOLLAND. Mr. President, before making the motion which I am about to make, I wish to report that in the field of appropriations for the Civil Aeronautics Administration the House agreed with the Senate that we should not close any safety installations at this time, but should await a report on a permanent program in that field. So the House agreed to the restoration of the appropriations up to the full budget amount, but not to the added amount of \$975,000; but in the conference report we reaffirmed the Senate directive which will prohibit closing any of the currently operating facilities.

I now move that the Senate concur in the amendments of the House to the amendments of the Senate No. 29, 43, and 48.

The motion was agreed to.

Mr. HOLLAND. Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a table indicating the amounts for the various appropriations contained in the Commerce Department and Related Agencies appropriations bill, as passed originally by the Senate, as passed originally by the House, and finally as passed by both Houses, under the conference agreement.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Department of Commerce and related agencies appropriation bill for fiscal year ending June 30, 1956

Appropriation Item (1)	1955 appropriation (2)	1956 estimate (3)	House allowance (4)	Senate allowance (5)	Conference allowance (6)
TITLE I. DEPARTMENT OF COMMERCE					
OFFICE OF THE SECRETARY					
Salaries and expenses.....	¹ \$2,050,000	\$2,300,000	\$2,172,000	\$2,217,300	\$2,172,000
BUREAU OF THE CENSUS					
Salaries and expenses.....	6,200,000	7,400,000	6,200,000	7,100,000	6,900,000
Census of agriculture.....	16,000,000	6,000,000	5,500,000	5,500,000	5,500,000
Censuses of business, manufactures and mineral industries.....	8,430,000	4,655,000	4,000,000	4,000,000	4,000,000
Intercensal housing survey.....		500,000		500,000	0
Total.....	30,630,000	18,555,000	15,700,000	17,100,000	16,400,000
CIVIL AERONAUTICS ADMINISTRATION					
Operation and regulation.....		106,150,000	103,000,000	107,125,000	106,150,000
Establishment of air-navigation facilities.....	5,000,000	23,000,000	18,500,000	16,000,000	16,000,000
Establishment of air-navigation facilities (liquidation of contract authorization).....		7,000,000	7,000,000	7,000,000	7,000,000
Grants-in-aid for airports.....		11,000,000	20,000,000	20,000,000	20,000,000
Federal-aid airport program, Federal Airport Act (liquidation of contract authorization).....		7,500,000	7,500,000	7,500,000	7,500,000
Maintenance and operation, Washington National Airport.....	1,350,000	1,415,000	1,350,000	1,415,000	1,350,000
Construction, Washington National Airport.....	340,000	² 525,000	525,000	525,000	525,000
Maintenance and operation of public airports, Territory of Alaska.....	600,000	750,000	600,000	750,000	600,000
Air navigation development.....	1,050,000	2,000,000	1,050,000	1,600,000	1,050,000
Salaries and expenses.....	³ 98,730,000				
Technical development and evaluation.....	700,000				
Federal-aid airport program, Federal Airport Act.....	22,000,000				
Claims, Federal Airport Act.....	69,449				
Land acquisition, additional Washington airport.....	16,297				
	129,855,746	159,340,000	159,525,000	161,915,000	160,175,000
CIVIL AERONAUTICS BOARD					
Salaries and expenses.....	3,777,000	4,125,000	3,900,000	4,125,000	4,125,000
Payments to air carrier.....	⁴ 48,900,000	63,000,000	40,000,000	55,000,000	52,500,000
	52,677,000	67,125,000	43,900,000	59,125,000	56,625,000
COAST AND GEODETIC SURVEY					
Salaries and expenses.....	10,200,000	⁵ 10,400,000	10,200,000	10,225,000	10,225,000
BUSINESS AND DEFENSE SERVICES ADMINISTRATION					
Salaries and expenses.....	6,320,000	⁶ 7,300,000	6,198,000	6,975,000	6,198,000
BUREAU OF FOREIGN COMMERCE					
Salaries and expenses.....	2,000,000	2,200,000	1,800,000	2,200,000	2,000,000
Export control.....	⁷ 3,481,000	3,000,000	2,500,000	2,800,000	2,650,000
	5,481,000	5,200,000	4,300,000	5,000,000	4,650,000
OFFICE OF BUSINESS ECONOMICS					
Salaries and expenses.....	900,000	1,000,000	975,000	900,000	900,000
MARITIME ACTIVITIES					
Ship construction.....	82,600,000	⁸ 102,800,000	64,700,000	102,800,000	86,450,000
Operating-differential subsidies.....	⁹ 115,000,000	115,000,000	90,000,000	115,000,000	110,000,000
Salaries and expenses.....	¹⁰ 13,900,000	15,100,000	14,000,000	14,700,000	14,350,000
Maritime training.....	2,200,000	¹¹ 2,085,000	2,085,000	2,085,000	2,085,000
Repair of reserve fleet facilities.....	¹² 970,000				
Repair of reserve fleet vessels (liquidation of contract authorization).....	12,000,000	6,000,000	6,000,000	6,000,000	6,000,000
State marine schools.....	¹³ 610,000		660,000	660,000	660,000
Ship mortgage-foreclosure or forfeiture contingencies.....	¹⁴ 2,019,000				
Vessel operations revolving fund (limitation).....		(¹⁵)	Disallowed	(¹⁵)	(1,500,000)
War Shipping Administration liquidation (limitation).....	(6,000,000)	(5,900,000)	(5,900,000)	(5,900,000)	(5,900,000)
	229,299,000	240,985,000	177,445,000	241,245,000	219,545,000
INLAND WATERWAYS CORPORATION					
Administrative expense limitation.....	(14,000)	(14,000)		(14,000)	(14,000)
PATENT OFFICE					
Salaries and expenses.....	11,500,000	12,000,000	14,000,000	14,000,000	14,000,000
BUREAU OF PUBLIC ROADS					
Federal-aid highways (liquidation of contract authorization).....	¹⁶ 595,000,000	680,000,000	600,000,000	680,000,000	640,000,000
Forest highways (liquidation of contract authorization).....	¹⁷ 18,500,000	25,000,000	18,500,000	25,000,000	21,750,000
Inter-American Highway.....	5,750,000	¹⁸ 74,980,000	8,000,000	25,250,000	25,250,000
Public-lands highways (liquidation of contract authorization).....	¹⁹ 875,000	2,000,000	2,000,000	2,000,000	2,000,000
Reimbursement to the highway fund, District of Columbia.....	290,000				
	620,415,000	781,980,000	628,500,000	732,250,000	689,000,000
NATIONAL BUREAU OF STANDARDS					
Expenses.....		7,750,000	7,000,000	7,450,000	7,000,000
Plant and equipment.....		²⁰ 1,015,000	995,000	995,000	995,000
Operation and administration.....	1,000,000				
Research and testing.....	3,150,000				
Radio propagation and standards.....	2,100,000				
Construction of laboratories (liquidation of contract authorization).....	115,000				
	6,365,000	8,765,000	7,995,000	8,445,000	7,995,000
WEATHER BUREAU					
Salaries and expenses.....	²¹ 24,940,000	27,850,000	29,900,000	32,000,000	32,000,000
Establishment of meteorological facilities.....		5,000,000	5,000,000	7,500,000	7,500,000
	24,940,000	32,850,000	34,900,000	39,500,000	39,500,000
Total, title I.....	1,130,632,746	1,347,800,000	1,105,810,000	1,298,897,300	1,227,385,000

Footnotes at end of table.

Department of Commerce and related agencies appropriation bill for fiscal year ending June 30, 1956—Continued

Appropriation item (1)	1955 appropriation (2)	1956 estimate (3)	House allowance (4)	Senate allowance (5)	Conference allowance (6)
TITLE II. THE PANAMA CANAL					
CANAL ZONE GOVERNMENT					
Operating expenses.....	²² \$14,018,000	\$15,017,000	\$14,500,000	\$14,800,000	\$14,500,000
Capital outlay.....	1,415,000	1,881,000	1,800,000	1,800,000	1,800,000
	15,433,000	16,898,000	16,300,000	16,600,000	16,300,000
PANAMA CANAL COMPANY					
Administrative expense limitation.....	(3,589,000)	(3,850,000)	(3,589,000)	(3,740,000)	(3,740,000)
Total, title II.....	15,433,000	16,898,000	16,300,000	16,600,000	16,300,000
TITLE III. INDEPENDENT AGENCIES					
Advisory Committee on Weather Control.....	120,000	295,000	175,000	295,000	275,000
St. Lawrence Seaway Development Corporation (administrative expense limitation).....	(250,000)	(280,000)	(280,000)	(280,000)	(280,000)
Tariff Commission.....	1,327,000	1,400,000	1,400,000	1,400,000	1,400,000
Total, title III.....	1,447,000	1,695,000	1,575,000	1,695,000	1,675,000
Grand total, titles I, II, and III.....	1,147,512,746	1,366,393,000	1,123,685,000	1,317,192,300	1,245,360,000

¹ Excludes comparative transfer of \$122,000 from "Salaries and expenses, Business and Defense Services Administration."

² Excludes proposed supplemental of \$2,600,000 transmitted in H. Doc. 171.

³ Includes \$650,000 derived by transfer pursuant to Public Law 24, 84th Cong.

⁴ Includes supplemental appropriation of \$8,900,000 contained in Public Law 24, 84th Cong.

⁵ Excludes proposed supplemental of \$159,000 transmitted in H. Doc. 171.

⁶ Includes amendment of \$250,000 contained in H. Doc. 126.

⁷ Excludes \$119,000 transfer to other appropriations pursuant to Public Law 24, 84th Cong.

⁸ Excludes proposed supplemental of \$12,650,000 transmitted in H. Doc. 171.

⁹ Includes supplemental appropriation of \$50 million contained in Public Law 24, 84th Cong.

¹⁰ Includes supplemental appropriation of \$400,000 contained in Public Law 24, 84th Cong.

¹¹ Excludes proposed supplemental of \$115,000 transmitted in H. Doc. 171.

¹² Contained in Public Law 24, 84th Cong.

¹³ Excludes \$50,000 transferred to other appropriations pursuant to Public Law 24, 84th Cong.

¹⁴ Excludes \$481,000 transferred to other appropriations pursuant to Public Law 24, 84th Cong.

¹⁵ Language authorizing use of fund for ship mortgage foreclosure, etc.

¹⁶ Includes supplemental appropriation of \$95 million contained in Public Law 24, 84th Cong.

¹⁷ Includes supplemental appropriation of \$3,500,000 contained in Public Law 24, 84th Cong.

¹⁸ Includes amendment of \$69,230,000 contained in H. Doc. 126.

¹⁹ Contained in Public Law 24, 84th Cong.

²⁰ Includes amendment of \$765,000 contained in H. Doc. 126.

²¹ Includes \$190,000 derived by transfer pursuant to Public Law 24, 84th Cong.

²² Includes supplemental appropriation of \$230,000 contained in Public Law 24, 84th Cong.

NOTE.—Parenthetical figures are not added in totals appropriated; they are limitations on use of corporate or appropriated funds.

AWARD OF DEGREE OF DOCTOR OF HUMANE LETTERS BY HAMILTON COLLEGE TO SENATOR SMITH OF MAINE

Mr. PAYNE. Mr. President, early this month my distinguished colleague, the senior Senator from Maine, added another well-deserved honor to the many she has received in recognition of her outstanding service in the United States Senate. On June 5, 1955, Hamilton College in Clinton, N. Y., one of the Nation's oldest and finest men's liberal arts colleges, awarded Senator MARGARET CHASE SMITH an honorary doctor of humane letters degree. It is indeed fitting that Hamilton, which has sent so many of its distinguished sons to the Senate, including the present senior Senator from New York, should now make Senator SMITH an adopted daughter.

I ask unanimous consent that there appear at this point in the RECORD the text of the citation read at the commencement following the presentation of Senator SMITH for the degree by Senator IRVING M. IVES.

There being no objection, the citation was ordered to be printed in the RECORD, as follows:

HAMILTON COLLEGE, CLINTON, N. Y.—CITATION—MARGARET CHASE SMITH, DOCTOR OF HUMANE LETTERS

MARGARET CHASE SMITH: "As Maine goes, so goes the Nation," reads a political axiom. If "as Maine goes" is to encompass the New England insight with which your constituents have returned you to Washington for these past 15 years, the Nation is indeed fortunate. You have been successively a teacher and businesswoman when in 1936

your husband became a Member of Congress and you, his secretary. To that task you brought both energy and talent, so that on your husband's death you were able to fill his unexpired term with great merit. You, yourself, were then elected to Congress and later, in 1949, to the United States Senate—a double tribute never before accorded a woman. In Washington, you are known as one who in party councils and in the committee room exercises a leadership that is quiet, firm, and positive. You have refused to surrender principles and freedoms to expediency. And, what is sometimes most difficult in a day when labels are flung about carelessly, you have remained a prophet with honor in your home State as attested by its increasing support. Hamilton holds previous in these times your willingness to enter public life and bring America courageous, intelligent leadership.

Acting on the authority of the board of trustees, I confer upon you the degree of doctor of humane letters of Hamilton College, admitting you to all of its rights and privileges. In token whereof, we invest you with this hood and present you this diploma.

JUNE 5, 1955.

AMERICAN FOREIGN POLICY—THE GENEVA CONFERENCE—DOMESTIC AFFAIRS

Mr. BENDER. Mr. President, in the past few weeks the people of America have been deluged by a flood of peace propaganda. As a nation dedicated to international peace, we have welcomed this change. Nevertheless, we must not be misled by this new climate of goodwill emanating from the Soviet Union.

The Trojan horse was child's play by contrast with the methods used by the Communists. William Shakespeare gave

us a good line. He wrote, "A man may smile and smile and be a villain still." Let us not be taken in by Mr. Molotov's "new look." All of us remember the week before Pearl Harbor. We were entertaining a few gentlemen who were talking about peace at almost the moment their countrymen were bombing Hawaii.

I do not say that we are in imminent danger of a similar event. I hope not. But we would be foolish indeed if we went to sleep. We must not be misled into so drastic an error. This is the time to keep our guard up.

I say this, particularly, because we are on the eve of a most important international meeting. The usual technique of the Communists is to extend an olive branch before every conference. Then they withdraw it when the meetings take place. Their idea is simple. Build up high hopes and then dash them to earth. Forewarned should be forearmed. We should go into the Geneva meeting with few expectations of a lasting peace program.

President Eisenhower knows the facts. He has been telling us regularly that the Geneva meeting will not be an answer to the world's problems. It will be very much like the first round of a carefully planned boxing match. The participants will be sparring with each other. No one will be ready to go all out in any direction. In spite of this, I believe that the conference may serve a useful purpose. It will give the world a chance to see a new group of leaders at work. We know what happened at Versailles in 1919. We know what happened at

In lieu of the sum proposed by said amendment insert "\$2,715,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$1,430,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$119,800"; and the Senate agree to the same.

LOUIS C. RABAUT,
OTTO E. PASSMAN,
WILLIAM H. NATCHER,
CLARENCE CANNON,
EARL WILSON,
JOHN TABER,

Managers on the Part of the House.

JOHN STENNIS,
JOHN L. MCCLELLAN,
SPESSARD L. HOLLAND,
ALAN BIBLE,
ALBERT GORE,
EVERETT M. DIRKSEN,
MILTON R. YOUNG,
J. GLENN BEALL,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6239) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1956, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

FEDERAL PAYMENT TO DISTRICT OF COLUMBIA

Amendments Nos. 1 and 2: Appropriate \$18,000,000 instead of \$16,000,000 as proposed by the House and \$20,000,000 as proposed by the Senate; and earmark \$6,250,000 of the Federal payment for capital outlay instead of \$5,500,000 as proposed by the House and \$7,000,000 as proposed by the Senate.

OPERATING EXPENSES

Executive Office

Amendments Nos. 3 and 4: Appropriate \$308,000 instead of \$300,000 as proposed by the House and \$364,900 as proposed by the Senate; and strike out language earmarking \$50,000 for regulating the election of District of Columbia delegates to national political conventions as proposed by the Senate.

Department of General Administration

Amendment No. 5: Appropriates \$3,081,850 instead of \$3,021,850 as proposed by the House and \$3,135,560 as proposed by the Senate.

Office of Corporation Counsel

Amendment No. 6: Appropriates \$442,900 as proposed by the Senate instead of \$427,000 as proposed by the House.

Compensation and Retirement Fund expenses

Amendment No. 7: Appropriates \$10,036,000 as proposed by the Senate instead of \$9,936,000 as proposed by the House.

Regulatory agencies

Amendment No. 8: Appropriates \$967,000 instead of \$958,000 as proposed by the House and \$991,420 as proposed by the Senate.

Department of Occupations and Professions

Amendment No. 9: Appropriates \$248,500 instead of \$240,000 as proposed by the House and \$253,030 as proposed by the Senate.

Public schools

Amendment No. 10: Appropriates \$28,130,000 instead of \$27,996,810 as proposed by the House and \$28,285,968 as proposed by the Senate.

Public Library

Amendment No. 11: Appropriates \$1,639,300 instead of \$1,620,000 as proposed by the House and \$1,641,000 as proposed by the Senate.

Recreation Department

Amendment No. 12: Appropriates \$1,638,500 instead of \$1,678,000 as proposed by the House and \$1,694,000 as proposed by the Senate.

Metropolitan Police

Amendment No. 13: Appropriates \$12,808,000 instead of \$12,781,000 as proposed by the House and \$12,826,000 as proposed by the Senate.

Veterans Service Center

Amendment No. 14: Appropriates \$92,200 as proposed by the Senate instead of \$90,000 as proposed by the House.

Office of Civil Defense

Amendment No. 15: Appropriates \$75,000 as proposed by the House instead of \$100,000 as proposed by the Senate.

Courts

Amendment No. 16: Appropriates \$3,369,674 instead of \$3,300,000 as proposed by the House and \$3,374,000 as proposed by the Senate.

Department of Public Health

Amendment No. 17: Appropriates \$23,592,000 instead of \$23,492,000 as proposed by the House and \$23,687,564 as proposed by the Senate.

Department of Corrections

Amendment No. 18: Appropriates \$4,526,820 instead of \$4,520,000 as proposed by the House and \$4,533,640 as proposed by the Senate.

Office of Surveyor

Amendment No. 19: Appropriates \$153,920 instead of \$143,920 as proposed by the House and \$158,920 as proposed by the Senate.

Department of Licenses and Inspections

Amendment No. 20: Appropriates \$1,546,276 instead of \$1,482,000 as proposed by the House and \$1,589,276 as proposed by the Senate. The conferees are in agreement that of the sum appropriated \$21,276 is to be used for essential repairs and replacements for the Eastern and Western Markets, and that their action on this item is based on the testimony and statements presented to the Senate committee relative to the tenants' agreement to the increased rental schedule for these two markets.

Department of Highways

Amendments Nos. 21, 22, and 23: Restore language stricken by the Senate relative to charges for electric service; appropriate \$5,967,000 instead of \$5,876,000 as proposed by the House and \$6,057,981 as proposed by the Senate; and provide that of the sum appropriated \$3,855,000 shall be derived from the highway fund instead of \$3,850,000 as proposed by the House and \$3,859,981 as proposed by the Senate.

Department of Vehicles and Traffic

Amendment No. 24: Appropriates \$1,107,000 instead of \$1,094,000 as proposed by the House and \$1,119,500 as proposed by the Senate.

Department of Sanitary Engineering

Amendments Nos. 25, 26, and 27: Appropriate \$10,285,000 instead of \$10,255,000 as proposed by the House and \$10,291,890 as proposed by the Senate; and provide that of the sum appropriated \$2,715,000 shall be derived from the water fund instead of \$2,720,000 as proposed by the House and \$2,703,928 as proposed by the Senate; and

provide that of the sum appropriated \$1,430,000 shall be derived from the sanitary sewage works fund instead of \$1,445,000 as proposed by the House and \$1,415,122 as proposed by the Senate.

National Guard

Amendment No. 28: Appropriates \$119,800 instead of \$114,800 as proposed by the House and \$122,300 as proposed by the Senate.

National Zoological Park

Amendment No. 29: Appropriates \$669,300 as proposed by the Senate instead of \$645,000 as proposed by the House.

CAPITAL OUTLAY

Public building construction

Amendments Nos. 30, 31, and 32: Appropriate \$7,544,400 as proposed by the Senate instead of \$6,235,400 as proposed by the House; and provide that of the sum appropriated \$3,091,900 shall not become available for expenditure until July 1, 1956, as proposed by the Senate instead of \$2,459,900 as proposed by the House; and provide that of the sum appropriated \$439,050 shall be available for construction services as proposed by the Senate instead of \$405,050 as proposed by the House.

Capital outlay, miscellaneous

Amendments Nos. 33 and 34: Appropriate \$1,260,300 as proposed by the Senate instead of \$3,760,300 as proposed by the House; and provide that of the sum appropriated \$360,000 shall not become available for expenditure until July 1, 1956, as proposed by the Senate instead of \$2,419,000 as proposed by the House. The managers on the part of the House have agreed to the Senate reduction of \$2,600,000 in the House allowance for the construction of the Youth Correctional Center with the understanding that the appropriation provided for this purpose will not delay the construction of this building to any appreciable extent.

Department of Highways

Amendments Nos. 35, 36, and 37: Appropriate \$13,535,000 as proposed by the Senate instead of \$11,205,000 as proposed by the House; and provide that of the sum appropriated \$13,135,000 shall be derived from the highway fund as proposed by the Senate instead of \$10,805,000 as proposed by the House; and strike out language proposed by the Senate prohibiting the construction of a draw-type bridge over the Potomac River and authorizing a change in the site of the bridge if agreement to that effect can be reached prior to August 1, 1955.

GENERAL PROVISIONS

Amendment No. 38: Restores language proposed to be stricken by the Senate relating to charges for electric service furnished by the Potomac Electric Power Co. to the District Government.

Amendments Nos. 39, 40, 41, and 42: Restore section numbers.

LOUIS C. RABAUT,
OTTO E. PASSMAN,
WILLIAM H. NATCHER,
CLARENCE CANNON,
EARL WILSON,
JOHN TABER,

Managers on the Part of the House.

DEPARTMENT OF COMMERCE AND RELATED AGENCIES APPROPRIATIONS, 1956

Mr. PRESTON. Mr. Speaker, I call up the conference report on the bill (H. R. 6367) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes, and ask unanimous consent that the statement of the managers on the part

of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 28, 1955.)

Mr. PRESTON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 29: Page 7, line 3, insert:

"Vessel operations revolving fund: Hereafter the vessel operations revolving fund, created by the Third Supplemental Appropriation Act, 1951, shall be available for necessary expenses incurred, in connection with protection, preservation, maintenance, acquisition, or use of vessels involved in mortgage-foreclosure or forfeiture proceedings instituted by the United States, including payment of prior claims and liens, expenses of sale, or other charges incident thereto; for necessary expenses incident to the redelivery and lay-up, in the United States, of ships now chartered under agreements which do not call for their return to the United States; for payment of expenses of custody and husbanding of Government-owned ships other than those within reserve fleets; and for payment of expenses of emergency repairs of ships in reserve fleets: *Provided*, That said fund shall be credited with all receipts from charter of Government-owned ships under the jurisdiction of the Secretary of Commerce."

Mr. PRESTON. Mr. Speaker, I move that the House recede and concur with the Senate amendment with an amendment.

The Clerk read as follows:

Mr. PRESTON moves that the House recede from its disagreement to the amendment of the Senate numbered 29 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"Vessel operations revolving fund: Hereafter the vessel operations revolving fund, created by the Third Supplemental Appropriation Act, 1951, shall be available for necessary expenses incurred, in connection with protection, preservation, maintenance, acquisition, or use of vessels involved in mortgage-foreclosure or forfeiture proceedings instituted by the United States, including payment of prior claims and liens, expenses of sale, or other charges incident thereto; for necessary expenses incident to the redelivery and lay-up, in the United States, of ships now chartered under agreements which do not call for their return to the United States; and for payment of expenses of custody and husbanding of Government-owned ships other than those within reserve fleets: *Provided*, That not to exceed \$1,500,000 of the funds of the vessel operations revolving fund may be used during the fiscal year 1956 for the purposes set forth in this paragraph."

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 30: Page 17, line 20, insert:

"Inland Waterways Corporation (administered under the supervision and direction of the Secretary of Commerce): Not to exceed \$14,000 shall be available for administrative expenses to be determined in the manner set forth under the title 'General expenses' in the Uniform System of Accounts for Carriers by Water of the Interstate Commerce Commission (effective January 1, 1947)."

Mr. PRESTON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 40: Page 24, line 11, insert: "of which \$4,250,000 shall be available only for the improvement and operation of hurricane, severe storm, and tornado warning services in the United States, including research related thereto, and construction of necessary facilities."

Mr. PRESTON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 43: Page 26, line 9, insert:

"SEC. 105. Hereafter the position of Budget Officer of the Department shall be in GS-17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present Incumbent."

Mr. PRESTON. Mr. Speaker, I move that the House recede and concur in the Senate amendment, with an amendment.

The Clerk read as follows:

Mr. PRESTON moves that the House recede from its disagreement to the amendment of the Senate numbered 43 and concur in the same with an amendment as follows: Change "SEC. 105." to "SEC. 104."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 47: Page 31, line 14, insert:

"SEC. 205. The Governor of the Canal Zone and the President of the Panama Canal Company, in computing allowances for the cost of travel on home leave for persons who elect at their expense to take other than the lowest first-class travel to the United States, shall take into account as the cost to the United States the actual cost, as computed by the General Accounting Office, of travel by United States owned and operated vessels rather than a reduced-fare rate which is available for such employees when traveling on their own account."

Mr. PRESTON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 48: Page 31, line 24, insert:

"SEC. 206. Notwithstanding the provisions of any other law the officer of the Army now serving as Governor of the Canal Zone shall, effective July 1, 1955, be considered to hold the grade of major general for all purposes, without regard to any limitations on the number of officers in that grade, and while

so serving shall receive the pay and allowances of an officer of that grade and his length of service, and when retired under any provision of law shall be advanced on the retired list to such grade and shall receive the retired or retirement pay at the rate prescribed by law computed on the basis of the basic pay which he would receive if serving on active duty in such grade."

Mr. PRESTON. Mr. Speaker, I move that the House recede and concur in the Senate amendment, with an amendment.

The Clerk read as follows:

Mr. PRESTON moves that the House recede from its disagreement to the amendment of the Senate numbered 48, and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert:

"SEC. 206. Notwithstanding the provisions of any other law, the officer of the Army now serving as Governor of the Canal Zone shall, effective upon the day preceeding his retirement, be considered to hold the grade of major general for all purposes, without regard to any limitations on the number of officers in that grade, and shall receive the pay and allowances of an officer of that grade and his length of service, and when retired under any provision of law shall be advanced on the retired list to such grade and shall receive the retired or retirement pay at the rate prescribed by law computed on the basis of the basic pay which he would receive if serving on active duty in such grade."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

APPROPRIATIONS FOR ATOMIC ENERGY COMMISSION

Mr. DURHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 6795, an act to authorize appropriations for the Atomic Energy Commission for acquisition or condemnation of real property or any facilities, or for plant or facility acquisition, construction, or expansion, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 4, strike out "\$267,709,000" and insert "\$269,159,000."

Page 3, line 10, strike out "\$750,000 and insert "\$2,200,000."

Page 3, line 18, strike out "vandium" and insert "vanadium."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. MARTIN. Reserving the right to object, Mr. Speaker, simply to inquire if this is satisfactory to the minority members on the committee.

Mr. DURHAM. It has been cleared by all Members on the Republican side.

Mr. MARTIN. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were concurred in, and a motion to reconsider was laid on the table.

Public Law 121 - 84th Congress
Chapter 253 - 1st Session
H. R. 6367

AN ACT

All 69 Stat. 226.

Making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Commerce and related agencies for the fiscal year ending June 30, 1956, namely:

Department of Commerce and Related Agencies Appropriation Act, 1956.

TITLE I—DEPARTMENT OF COMMERCE

OFFICE OF THE SECRETARY

Salaries and expenses: For necessary expenses of the Office of the Secretary of Commerce (hereafter in this title referred to as the Secretary), including teletype news service (not exceeding \$1,000); \$2,172,000.

BUREAU OF THE CENSUS

Salaries and expenses: For expenses necessary for collecting, compiling, and publishing current census statistics provided for by law; and for general administration, including enumerators at rates to be fixed without regard to the Classification Act of 1949, as amended; \$6,900,000.

63 Stat. 954.
5 USC 1071
note.

Census of agriculture: For expenses necessary for taking, compiling, and publishing the 1954 Census of Agriculture, as authorized by law, including personal services by contract or otherwise at rates to be fixed by the Secretary of Commerce without regard to the Classification Act of 1949, as amended; and additional compensation of Federal employees temporarily detailed for field work under this appropriation; \$5,500,000, to remain available until December 31, 1956.

Censuses of business, manufactures, and mineral industries: For expenses necessary for taking, compiling, and publishing the censuses of business, manufactures, and mineral industries as authorized by law, including personal services by contract or otherwise at rates to be fixed by the Secretary of Commerce without regard to the Classification Act of 1949, as amended; and additional compensation of Federal employees temporarily detailed for field work under this appropriation; \$4,000,000, to remain available until December 31, 1957.

CIVIL AERONAUTICS ADMINISTRATION

Operation and regulation: For necessary expenses of the Civil Aeronautics Administration in carrying out the provisions of the Civil Aeronautics Act of 1938, as amended (49 U. S. C. 401), and other Acts incident to the enforcement of safety regulations, maintenance and operation of air-navigation and air-traffic control facilities, and disposal of surplus airports and administering instruments of disposal; planning, research, and administrative expenses for carrying out the provisions of the Federal Airport Act of May 13, 1946, as amended, including furnishing advisory services to States and other public and private agencies in connection with the construction or improvement of airports and landing areas; developmental work and service-testing as tends to the creation of improved air-navigation facilities, including landing areas, aircraft, aircraft engines, propellers, appliances, personnel, and operation methods, and acquisition of sites for such activities by lease, or grant; purchase of not to exceed sixty-five passenger motor vehicles for replacement only; hire of aircraft (not

52 Stat. 973.

60 Stat. 170.

49 USC 1101

note.

exceeding \$370,000); operation and maintenance of not to exceed eighty-five aircraft; fees and mileage of expert and other witnesses; and purchase and repair of skis and snowshoes; \$106,150,000: *Provided*, That there may be credited to this appropriation, funds received from States, counties, municipalities, and other public authorities for expenses incurred in the maintenance and operation of air-navigation facilities.

Establishment of air-navigation facilities: For an additional amount for the acquisition, establishment, and improvement by contract or purchase and hire of air-navigation facilities, including the initial acquisition of necessary sites by lease or grant; the construction and furnishing of quarters and related accommodations for officers and employees of the Civil Aeronautics Administration and the Weather Bureau stationed at remote localities not on foreign soil where such accommodations are not available; the initial flight checking of air-navigation facilities and the transportation by air to and from and within the Territories of the United States of materials and equipment secured under this appropriation; \$16,000,000, to remain available until expended.

Establishment of air-navigation facilities (liquidation of contract authorization): For liquidation of obligations incurred under authority heretofore granted under this head to enter into contracts, \$7,000,000.

60 Stat. 170.
49 USC 1101
note.
49 USC 1105.

Grants-in-aid for airports: For project grants authorized by the Federal Airport Act, as amended, to remain available until June 30, 1958, \$20,000,000, of which (1) \$19,650,000 shall be for projects in the States in accordance with section 6 of said Act, (2) \$100,000 for projects in Puerto Rico, (3) \$50,000 for projects in the Virgin Islands, (4) \$100,000 for projects in the Territory of Hawaii, and (5) \$100,000 for projects in the Territory of Alaska: *Provided*, That the unexpended balances of appropriations previously made under the head "Federal-aid airport program, Federal Airport Act," shall hereafter be merged with and accounted for under this head.

Federal-aid airport program, Federal Airport Act (liquidation of contract authorization): For liquidation of obligations incurred under authority heretofore granted under this head to enter into contracts, \$7,500,000.

Maintenance and operation, Washington National Airport: For expenses incident to the care, operation, maintenance and protection of the Washington National Airport, including purchase of one passenger motor vehicle for replacement only; purchase, cleaning, and repair of uniforms; and arms and ammunition; \$1,350,000.

Construction, Washington National Airport: For an additional amount for "Construction, Washington National Airport", including construction, alterations, and repairs, \$525,000, to remain available until expended.

Maintenance and operation of public airports, Territory of Alaska: For expenses necessary for the maintenance, improvement, and operation of public airports in the Territory of Alaska, as authorized by law (48 U. S. C. 485 c-h); including arms and ammunition; and purchase, repair, and cleaning of uniforms; \$600,000.

Air navigation development: For expenses necessary for planning and developing a national system of aids to air navigation and air traffic control common to military and civil air navigation, including research, experimental investigations, purchase and development, by contract or otherwise, of new types of air navigation aids (including plans, specifications, and drawings); hire of aircraft; acquisition of necessary sites by lease or grant; payments in advance under contracts for research or development work; and not to exceed \$175,000 for administrative expenses; \$1,050,000.

CIVIL AERONAUTICS BOARD

Salaries and expenses: For necessary expenses of the Civil Aeronautics Board, including contract stenographic reporting services; employment of temporary guards on a contract or fee basis; salaries and traveling expenses of employees detailed to attend courses of training conducted by the Government or industries serving aviation; purchase (not to exceed two for replacement only) of passenger motor vehicles; and hire, operation, maintenance, and repair of aircraft; \$4,125,000.

Payments to air carriers: For payments to air carriers of so much of the compensation fixed and determined by the Civil Aeronautics Board under section 406 of the Civil Aeronautics Act of 1938, as amended (49 U. S. C. 486), as is payable by the Civil Aeronautics Board pursuant to Reorganization Plan No. 10 of 1953; \$52,500,000, to remain available until expended.

52 Stat. 998.
67 Stat. 644.
49 USC 486
note.

COAST AND GEODETIC SURVEY

Salaries and expenses: For expenses necessary to carry out the provisions of the Act of August 6, 1947 (33 U. S. C. 883a-883i), including purchase of not to exceed three passenger motor vehicles for replacement only; uniforms or allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114); lease of sites and the erection of temporary buildings for tide, magnetic or seismological observations; hire of aircraft; operation, maintenance, and repair of an airplane; extra compensation at not to exceed \$15 per month to each member of the crew of a vessel when assigned duties as recorder or instrument observer, and at not to exceed \$1 per day for each station to employees of other Federal agencies while making oceanographic observations or tending seismographs; pay, allowances, gratuities, transportation of dependents and household effects, and payment of funeral expenses, as authorized by law, for not to exceed 185 commissioned officers on the active list; payments under the Uniform Services Contingency Option Act of 1953; and pay of commissioned officers retired in accordance with law; \$10,225,000: *Provided*, That during the current fiscal year, this appropriation shall be reimbursed for press costs and costs of paper for charts published by the Coast and Geodetic Survey and furnished for the official use of the military departments of the Department of Defense.

61 Stat. 787.
5 USC 2131
note.
67 Stat. 501.
37 USC 371
note.

BUSINESS AND DEFENSE SERVICES ADMINISTRATION

Salaries and expenses: For necessary expenses of the Business and Defense Services Administration, including transportation and not to exceed \$15 per diem in lieu of subsistence for persons serving without compensation while away from their homes or regular places of business, \$6,198,000.

BUREAU OF FOREIGN COMMERCE

Salaries and expenses: For necessary expenses of the Bureau of Foreign Commerce, including the purchase of commercial and trade reports; \$2,000,000.

Export control: For expenses necessary for carrying out the provisions of the Export Control Act of 1949, as amended, relating to export controls, including awards of compensation to informers under said Act and as authorized by the Act of August 13, 1953 (22 U. S. C. 401), \$2,650,000, of which not to exceed \$800,000 may be advanced to the Bureau of Customs, Treasury Department, for enforcement of the

63 Stat. 7.
50 USC app.
2021 note.
67 Stat. 577.

export control program, and of which not to exceed \$82,500 may be advanced to the appropriation for "Salaries and expenses" under the Office of the Secretary.

OFFICE OF BUSINESS ECONOMICS

Salaries and expenses: For necessary expenses of the Office of Business Economics, \$900,000.

MARITIME ACTIVITIES

Ship construction: For construction as authorized by sections 701 and 702 of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1191, 1192), of one prototype tanker; for payment of construction-differential subsidy and cost of national-defense features incident to construction of two passenger-cargo ships and not to exceed five cargo ships for replacement, and for payment of construction-differential subsidy and cost of national-defense features incident to the reconstruction and reconditioning of ships under title V of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1154); for reconditioning and betterment of one ship in the national-defense reserve fleet; for necessary expenses for the acquisition of used cargo ships and tankers pursuant to section 510 of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1160), and the payment of cost of national-defense features incorporated in new tankers constructed to replace such used tankers; and for research, development, and design expenses incident to new and advanced ship design, machinery, and equipment; \$86,450,000, to remain available until expended: *Provided*, That transfers may be made to the appropriation for the current fiscal year for "Salaries and expenses" for administrative and warehouse expenses (not to exceed \$1,000,000) and for reserve fleet expenses in such amounts as may be required, and any such transfers shall be without regard to the limitations under that appropriation on the amounts available for such expenses: *Provided further*, That appropriations granted herein shall be available to pay construction-differential subsidy granted by the Federal Maritime Board, pursuant to section 501 (c) of the Merchant Marine Act, 1936, as amended, to aid in the reconstruction of any Mariner-class ships sold under the provisions of title VII of the 1936 Act: *Provided further*, That all ship construction, reconditioning and betterment of vessels appropriated for herein, shall be performed in shipyards in the continental United States: *Provided further*, That no funds contained in this Act may be used to commence construction, reconstruction, conversion, reconditioning or betterment of any vessel until the total Federal funds required to complete such work have been appropriated.

Operating-differential subsidies: For the payment of obligations incurred for operating-differential subsidies granted on or after January 1, 1947, as authorized by the Merchant Marine Act, 1936, as amended, and in appropriations heretofore made to the United States Maritime Commission, \$110,000,000, to remain available until expended: *Provided*, That to the extent that the operating-differential subsidy accrual (computed on the basis of parity) is represented on the operator's books by a contingent accounts receivable item against the United States as a partial or complete offset to the recapture accrual, the operator (1) shall be excused from making deposits in the special reserve fund, and (2) as to the amount of such earnings the deposit of which is so excused shall be entitled to the same tax treatment as though it had been deposited in said special reserve fund. To the extent that any amount paid to the operator by the United States reduces the balance in the operator's contingent receivable

account against the United States, such amount shall forthwith be deposited in the special reserve fund of the operator: *Provided further*, That no contracts shall be executed during the current fiscal year by the Federal Maritime Board which will obligate the Government to pay operating differential subsidy on more than one thousand nine hundred and fifty voyages in any one calendar year, including voyages covered by contracts in effect at the beginning of the current fiscal year, of which not less than one hundred and twelve shall be for operators who have not held contracts prior to July 1, 1955.

Salaries and expenses: For expenses necessary for carrying into effect the Merchant Marine Act, 1936, and other laws administered by the Federal Maritime Board and the Maritime Administration, \$14,350,000, within limitations as follows:

Administrative expenses, including not to exceed \$1,125 for entertainment of officials of other countries when specifically authorized by the Maritime Administrator; and ship structure research, testing and models; \$5,955,000;

Maintenance of shipyard facilities and operation of warehouses, \$1,215,000;

Reserve fleet expenses, \$7,180,000.

Maritime training: For training cadets as officers of the merchant marine at the Merchant Marine Academy at Kings Point, New York, including pay and allowances for personnel of the United States Maritime Service as authorized by law (46 U. S. C. 1126, 63 Stat. 802, 64 Stat. 794, and 66 Stat. 79); not to exceed \$2,500 for contingencies for the Superintendent, United States Merchant Marine Academy, to be expended in his discretion; purchase of one passenger motor vehicle for replacement only; and not to exceed \$30,000 for transfer to applicable appropriations of the Public Health Service for services rendered by the Maritime Administration; \$2,085,000, including uniform and textbook allowances for cadet midshipmen, at an average yearly cost of not to exceed \$200 per cadet: *Provided*, That except as herein provided for uniform and textbook allowances this appropriation shall not be used for compensation or allowances for cadets.

State marine schools: To reimburse the State of California, \$47,500; the State of Maine, \$47,500; the State of Massachusetts, \$47,500; and the State of New York, \$47,500; for expenses incurred in the maintenance and support of marine schools in such States as provided in the Act authorizing the establishment of marine schools, and so forth, approved March 4, 1911, as amended (34 U. S. C. 1121-1123); \$149,800 for the maintenance and repair of vessels loaned by the United States to the said States for use in connection with such State marine schools; and \$320,200 for allowances for uniforms, textbooks, and subsistence of cadets at State marine schools, to be paid in accordance with regulations established pursuant to law (46 U. S. C. 1126 (b)); \$660,000.

Repair of reserve fleet vessels (liquidation of contract authorization): For the payment of obligations incurred pursuant to authority granted under the "Emergency Ship Repair Act of 1954", \$6,000,000: *Provided*, That advances may be made from this appropriation to "Salaries and expenses, maritime activities", for administrative expenses (not to exceed \$150,000), and for reserve fleet expenses (in such amounts as may be required), and such advances shall be in addition to amounts otherwise made available for such expenses.

War Shipping Administration liquidation: Not to exceed \$5,900,000 of the unexpended balance of the appropriation to the Secretary of the Treasury in the Second Supplemental Appropriation Act, 1948, for liquidation of obligations approved by the General Accounting Office as properly incurred against funds of the War Shipping Administration prior to January 1, 1947, is hereby continued available

during the current fiscal year, and shall be available for the payment of obligations incurred against the working fund titled: "Working fund, Commerce, War Shipping Administration functions, December 31, 1946".

No additional vessels shall be allocated under charter, nor shall any vessel be continued under charter by reason of any extension of chartering authority beyond June 30, 1949, unless the charterer shall agree that the Maritime Administration shall have no obligation upon redelivery to accept or pay for consumable stores, bunkers and slop-chest items, except with respect to such minimum amounts of bunkers as the Maritime Administration considers advisable to be retained on the vessel and that prior to such redelivery all consumable stores, slop-chest items and bunkers over and above such minimums shall be removed from the vessel by the charterer at his own expense.

No money made available to the Department of Commerce, for maritime activities, by this or any other Act shall be used in payment for a vessel the title to which is acquired by the Government either by requisition or purchase, or the use of which is taken either by requisition or agreement, or which is insured by the Government and lost while so insured, unless the price or hire to be paid therefor (except in cases where section 802 of the Merchant Marine Act, 1936, as amended, is applicable) is computed in accordance with subsection 902 (a) of said Act, as that subsection is interpreted by the General Accounting Office.

Notwithstanding any other provision of this Act, the Maritime Administration is authorized to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving Government property under control of the Maritime Administration, and payments received by the Maritime Administration for utilities, services, and repairs so furnished or made shall be credited to the appropriation charged with the cost thereof: *Provided*, That rental payments under any such lease, contract, or occupancy on account of items other than such utilities, services, or repairs shall be covered into the Treasury as miscellaneous receipts.

No obligations shall be incurred during the current fiscal year from the construction fund established by the Merchant Marine Act, 1936, or otherwise, in excess of the appropriations and limitations contained in this Act, or in any prior appropriation Act, and all receipts which otherwise would be deposited to the credit of said fund shall be covered into the Treasury as miscellaneous receipts.

Vessel operations revolving fund: Hereafter the vessel operations revolving fund, created by the Third Supplemental Appropriation Act, 1951, shall be available for necessary expenses incurred, in connection with protection, preservation, maintenance, acquisition, or use of vessels involved in mortgage-foreclosure or forfeiture proceedings instituted by the United States, including payment of prior claims and liens, expenses of sale, or other charges incident thereto; for necessary expenses incident to the redelivery and lay-up, in the United States, of ships now chartered under agreements which do not call for their return to the United States; and for payment of expenses of custody and husbanding of Government-owned ships other than those within reserve fleets: *Provided*, That not to exceed \$1,500,000 of the funds of the vessel operations revolving fund may be used during the fiscal year 1956 for the purposes set forth in this paragraph.

Inland Waterways Corporation (administered under the supervision and direction of the Secretary of Commerce): Not to exceed \$14,000 shall be available for administrative expenses to be determined in the manner set forth under the title "General expenses" in the Uniform System of Accounts for Carriers by Water of the Interstate Commerce Commission (effective January 1, 1947).

53 Stat. 1254.

46 USC 1212.

53 Stat. 1255.

46 USC 1242(a).

49 Stat. 1985.

46 USC ch. 27.

65 Stat. 59.

46 USC 1241a.

PATENT OFFICE

Salaries and expenses: For necessary expenses of the Patent Office, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates for individuals not to exceed \$75^{60 Stat. 810.} per diem (not to exceed \$25,000); and defense of suits instituted against the Commissioner of Patents; \$14,000,000.

BUREAU OF PUBLIC ROADS

General administrative expenses: Necessary expenses of administration, including advertising (including advertising in the city of Washington for work to be performed in areas adjacent thereto), purchase of seventy-five passenger motor vehicles for replacement only, and the maintenance and repairs of experimental highways, shall be paid, in accordance with law, from appropriations available to the Bureau of Public Roads.

Of the total amount available from appropriations of the Bureau of Public Roads for general administrative expenses, pursuant to the provisions of section 21 of the Act of November 9, 1921, as amended (23 U. S. C. 21), \$100,000 shall be available for all necessary expenses^{42 Stat. 217.} to enable the President to utilize the services of the Bureau of Public Roads in fulfilling the obligations of the United States under the Convention on the Pan-American Highway Between the United States and Other American Republics (51 Stat. 152), cooperation with several governments, members of the Pan American Union, in connection with the survey and construction of the Inter-American Highway, and for performing engineering service in Pan-American countries for and upon the request of any agency or governmental corporation of the United States.

Federal-aid highways: For carrying out the provisions of the Act of July 11, 1916, as amended and supplemented (23 U. S. C. 1-22,^{39 Stat. 355.} 24-105, 107-117), to remain available until expended, \$640,000,000,^{23 USC 9a} which sum is composed of \$343,500,000, the balance of the amount^{note.} authorized to be appropriated for the fiscal year 1954, \$288,500,000, a part of the amount authorized to be appropriated for the fiscal year 1955, and \$163,336, \$75,915, \$1,695,797, and \$1,401,457, the latter sums being for reimbursement of the sums expended for the repair or reconstruction of highways and bridges which have been damaged or destroyed by floods, hurricanes, or landslides, as provided by section 4 of the Act approved June 8, 1938, section 7 of the Act approved^{52 Stat. 634;} July 13, 1943, and section 9 of the Act approved September 7, 1950,^{57 Stat. 561;} as amended (23 U. S. C. 13a and 13b) and section 7 of the Act approved^{64 Stat. 789.} June 25, 1952, and \$4,663,495 for reimbursement of the sums expended^{66 Stat. 161.} for the design and construction of highway bridges upon and across dams in accordance with the Act of July 29, 1946 (60 Stat. 709).^{23 USC 64-69.}

Forest highways: For expenses, not otherwise provided for, necessary for carrying out the provisions of section 23 of the Federal Highway Act of November 9, 1921, as amended (23 U. S. C. 23, 23a), to^{42 Stat. 218;} remain available until expended, \$21,750,000, which sum is composed^{49 Stat. 1520.} of \$19,000,000, the remainder of the amount authorized to be appropriated for the fiscal year 1955, and \$2,750,000, a part of the amount authorized to be appropriated for the fiscal year 1956: *Provided*, That this appropriation shall be available for the rental, purchase, construction, or alteration of buildings and sites necessary for the storage and repair of equipment and supplies used for road construction and maintenance, but the total cost of any such item under this authorization shall not exceed \$15,000.

66 Stat. 160.

Inter-American Highway: For necessary expenses of continuing the survey and construction of the Inter-American Highway, in accordance with the provisions of the Act of December 26, 1941 (55 Stat. 860), as amended by section 6 of the Federal-Aid Highway Act of 1952 (66 Stat. 158), including purchase of five passenger motor vehicles, \$25,250,000; to remain available until expended.

Public lands highways (liquidation of contract authorization): For payment of obligations incurred pursuant to the contract authorization granted by section 6 of the Federal-Aid Highway Act of 1954 (68 Stat. 73), to remain available until expended, \$2,000,000, which sum is composed of \$1,625,000, the remainder of the amount authorized for fiscal year 1955, and \$375,000, a part of the amount authorized for fiscal year 1956.

General provisions—Bureau of Public Roads: None of the money appropriated for the work of the Bureau of Public Roads during the current fiscal year shall be paid to any State on account of any project on which convict labor shall be employed, but this provision shall not apply to labor performed by convicts on parole or probation.

During the current fiscal year authorized engineering or other services in connection with the survey, construction, and maintenance, or improvement of roads may be performed for other Government agencies, cooperating foreign countries, and State cooperating agencies, and reimbursement for such services (which may include depreciation on engineering and road-building equipment used) shall be credited to the appropriation concerned.

During the current fiscal year appropriations for the work of the Bureau of Public Roads shall be available for expenses of warehouse maintenance and the procurement, care, and handling of supplies, materials, and equipment for distribution to projects under the supervision of the Bureau of Public Roads, or for sale or distribution to other Government activities, cooperating foreign countries, and State cooperating agencies, and the cost of such supplies and materials or the value of such equipment (including the cost of transportation and handling) may be reimbursed to current applicable appropriations.

Appropriations to the Bureau of Public Roads may be used in emergency for medical supplies and services and other assistance necessary for the immediate relief of employees engaged on hazardous work under that Bureau, and for temporary services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), but at rates for individuals not in excess of \$100 per diem.

60 Stat. 810.

REDUCTIONS IN CONTRACT AUTHORIZATIONS

Bureau of Public Roads: The unobligated balances of contract authorizations provided in section 4 of the Act approved June 8, 1938 (52 Stat. 634), and section 9 of the Act approved September 7, 1950 (64 Stat. 789), as amended by the Act approved October 15, 1951 (65 Stat. 421), are hereby canceled.

23 USC 13a.

The authorization in section 3 of the Federal-Aid Highway Act of 1952 for forest highways for the fiscal year ending June 30, 1954, is hereby reduced by the sum of \$15,900,000.

NATIONAL BUREAU OF STANDARDS

Expenses: For expenses necessary in performing the functions authorized by the Act of March 3, 1901, as amended (15 U. S. C. 271-278c), including general administration; operation, maintenance, alteration, and protection of grounds and facilities; and improvement and construction of temporary or special facilities as authorized by

31 Stat. 1449.

section 2 of the Act of July 21, 1950 (15 U. S. C. 286); \$7,000,000: 64 Stat. 371.
Provided, That during the current fiscal year the maximum base rate of compensation for employees appointed pursuant to the Act of July 21, 1950 (15 U. S. C. 285), shall be equivalent to the entrance rate 64 Stat. 370. of GS-12.

Plant and equipment: For construction of a pilot electronic data-processing device to be used in the performance of functions authorized by the Act of March 3, 1901, as amended (15 U. S. C. 271-278c); 31 Stat. 1449.
repair of mechanical facilities; and expenses incurred, as authorized by section 2 of the Act of July 21, 1950 (15 U. S. C. 286), in the construction or improvement of buildings, grounds, and other facilities; 64 Stat. 371.
and construction of an electronic calibration center at a cost not to exceed \$765,000; \$995,000, to remain available until expended.

WEATHER BUREAU

Salaries and expenses: For expenses necessary for the Weather Bureau, including maintenance and operation of aircraft; purchase of five passenger motor vehicles for replacement only; not to exceed \$25,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and not to exceed \$10,000 for maintenance 60 Stat. 810.
of a printing office in the city of Washington, as authorized by law; \$32,000,000 of which \$4,250,000 shall be available only for the improvement and operation of hurricane, severe storm, and tornado warning services in the United States, including research related thereto, and construction of necessary facilities: *Provided*, That during the current fiscal year, the maximum amount authorized under section 3 (a) of the Act of June 2, 1948 (15 U. S. C. 327), for extra 62 Stat. 286.
compensation to employees of other Government agencies for taking and transmitting meteorological observations, shall be \$5 per day; and the maximum base rate of pay authorized under section 3 (b) of said Act, for employees conducting meteorological investigations in the Arctic region, shall be \$6,000 per annum, except that not more than five of such employees at any one time may receive a base rate of \$8,500 per annum, and such employees may be appointed without regard to the Classification Act of 1949. 63 Stat. 954.

Establishment of meteorological facilities: For the acquisition, establishment, and relocation of meteorological observing facilities and related equipment, including the alteration and modernization of existing facilities; \$7,500,000, to remain available until June 30, 1959. 5 USC 1071 note.

GENERAL PROVISIONS—DEPARTMENT OF COMMERCE

SEC. 102. During the current fiscal year applicable appropriations and funds available to the Department of Commerce shall be available for the activities specified in the Act of October 26, 1949 (5 U. S. C. 596a), to the extent and in the manner prescribed by said Act. 63 Stat. 907.

SEC. 103. Appropriations in this title available for salaries and expenses shall be available for expenses of attendance at meetings of organizations concerned with the activities for which the appropriations are made; hire of passenger motor vehicles; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), but, unless otherwise specified, at rates for individuals not to exceed \$50 per diem. 60 Stat. 810.

SEC. 104. Hereafter the position of Budget Officer of the Department shall be in GS-17 of the General Schedule established by the Classification Act of 1949 so long as the position is held by the present incumbent.

TITLE II—THE PANAMA CANAL

CANAL ZONE GOVERNMENT

Operating expenses: For operating expenses necessary for the Canal Zone Government, including operation of the Postal Service of the Canal Zone; hire of passenger motor vehicles; uniforms or allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114); expenses incident to conducting hearings on the Isthmus; expenses of attendance at meetings, when authorized by the Governor of the Canal Zone, of organizations concerned with activities pertaining to the Canal Zone Government; expenses of special training of employees of the Canal Zone Government as authorized by law (63 Stat. 602); contingencies of the Governor; residence for the Governor; medical aid and support of the insane and of lepers and aid and support of indigent persons legally within the Canal Zone, including expenses of their deportation when practicable; and payments of not to exceed \$50 in any one case to persons within the Government service who shall furnish blood for transfusions; \$14,500,000.

5 USC 2131 note.

Capital outlay: For acquisition of land and land under water and acquisition, construction, and replacement of improvements, facilities, structures, and equipment, as authorized by law (63 Stat. 600 and 48 U. S. C. 1302), including the purchase of not to exceed eight passenger motor vehicles (for replacement only); and expenses incident to the retirement of such assets; \$1,800,000, to remain available until expended.

PANAMA CANAL COMPANY

The following corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to it and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the programs set forth in the Budget for the fiscal year 1956 for such corporation, except as hereinafter provided:

Not to exceed \$3,740,000 of the funds available to the Panama Canal Company shall be available during the current fiscal year for general and administrative expenses of the Company, which shall be computed on an accrual basis: *Provided*, That as used herein, the term "general and administrative expenses" shall not be construed to include expenses otherwise classified in the preceding fiscal year: *Provided further*, That funds available for operating expenses shall be available for the purchase of not to exceed ten passenger motor vehicles (for replacement only), and for uniforms or allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114).

61 Stat. 584.
31 USC 849.

5 USC 2131
note.

GENERAL PROVISIONS—THE PANAMA CANAL

Employment
requirements.

SEC. 202. No part of any appropriation contained in this Act shall be used directly or indirectly, except for temporary employment in case of emergency, for the payment of any civilian for services rendered by him on the Canal Zone while occupying a skilled, technical, clerical, administrative, executive, or supervisory position unless such person is a citizen of the United States of America or of the Republic of Panama: *Provided, however*, (1) That, notwithstanding the provision in the Act approved August 11, 1939 (53 Stat. 1409) limiting employment in the above-mentioned positions to citizens of the United States from and after the date of approval of said Act, citizens of Panama may be employed in such positions; (2) that at no time shall

the number of Panamanian citizens employed in the above-mentioned positions exceed the number of citizens of the United States so employed, if United States citizens are available in continental United States or on the Canal Zone; (3) that nothing in this Act shall prohibit the continued employment of any person who shall have rendered fifteen or more years of faithful and honorable service on the Canal Zone; (4) that in the selection of personnel for skilled, technical, administrative, clerical, supervisory, or executive positions, the controlling factors in filling these positions shall be efficiency, experience, training, and education; (5) that all citizens of Panama and the United States rendering skilled, technical, clerical, administrative, executive, or supervisory service on the Canal Zone under the terms of this Act (a) shall normally be employed not more than forty hours per week, (b) may receive as compensation equal rates of pay based upon rates paid for similar employment in continental United States plus 25 per centum; (6) this entire section shall apply only to persons employed in skilled, technical, clerical, administrative, executive, or supervisory positions on the Canal Zone directly or indirectly by any branch of the United States Government or by any corporation or company whose stock is owned wholly or in part by the United States Government: *Provided further*, That the President may suspend from time to time in whole or in part compliance with this section if he should deem such course to be in the public interest.

SEC. 203. The Governor of the Canal Zone is authorized to employ services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), in an amount not exceeding \$15,000: *Provided*, That ^{60 Stat. 810.} the rates for individuals shall not exceed \$100 per diem.

SEC. 204. There are hereafter authorized to be transferred between departments and agencies, with or without exchange of funds, all or so much of the facilities, buildings, structures, improvements, stock and equipment, of their activities located in the Canal Zone, as may be mutually agreed upon by the agencies involved and approved by the Director of the Bureau of the Budget, in the interest of elimination of duplicate activities and related facilities: *Provided*, That with respect to such transfers without exchange of funds (1) transfers to or from the Panama Canal Company shall be subject to the provisions of section 246 of title 2 of the Canal Zone Code, as added by the Act of June 29, 1948 (ch. 706, sec. 2, 62 Stat. 1076); and (2) transfers to or from the Canal Zone Government shall be at such appropriate amount as shall be agreed upon between the Canal Zone Government and the agencies concerned and approved by the Director of the Bureau of the Budget, and in the determination thereof due consideration shall be given to the cost of the transferred assets, or usable value to the transferee if clearly less than cost, and adequate provision made for depreciation of properties and equipment, obsolete or otherwise unusable inventories, and other reasonably determinable shrinkages in values; and such amount shall be added to or deducted from the investment of the United States in the Canal Zone Government as applicable. ^{Transfers of facilities, etc.}

SEC. 205. The Governor of the Canal Zone and the President of the Panama Canal Company, in computing allowances for the cost of travel on home leave for persons who elect at their expense to take other than the lowest first-class travel to the United States, shall take into account as the cost to the United States the actual cost, as computed by the General Accounting Office, of travel by United States owned and operated vessels rather than a reduced fare rate which is available for such employees when traveling on their own account. ^{Travel allowances.}

SEC. 206. Notwithstanding the provisions of any other law, the Officer of the Army now serving as Governor of the Canal Zone shall, effective upon the day preceding his retirement, be considered to hold ^{Governor. Grade upon retirement.}

All 69 Stat. 237.

the grade of major general for all purposes, without regard to any limitations on the number of officers in that grade, and shall receive the pay and allowances of an officer of that grade and his length of service, and when retired under any provision of law shall be advanced on the retired list to such grade and shall receive the retired or retirement pay at the rate prescribed by law computed on the basis of the basic pay which he would receive if serving on active duty in such grade.

TITLE III—INDEPENDENT AGENCIES

ADVISORY COMMITTEE ON WEATHER CONTROL

15 USC 311
note.
60 Stat. 810.

Salaries and expenses: For necessary expenses of the Advisory Committee on Weather Control, established by the Act of August 13, 1953 (67 Stat. 559), including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), \$275,000.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

60 Stat. 810.

Not to exceed \$280,000 shall be available for administrative expenses which shall be computed on an accrual basis: *Provided*, That said funds shall be available for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), at rates for individuals not to exceed \$100 per day.

TARIFF COMMISSION

60 Stat. 810.

46 Stat. 701.
19 USC 1336-
1338.

Salaries and expenses: For necessary expenses of the Tariff Commission, including subscriptions to newspapers (not to exceed \$200), not to exceed \$17,000 for expenses of travel, and contract stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), \$1,400,000: *Provided*, That no part of this appropriation shall be used to pay the salary of any member of the Tariff Commission who shall hereafter participate in any proceedings under sections 336, 337, and 338 of the Tariff Act of 1930, wherein he or any member of his family has any special, direct, and pecuniary interest, or in which he has acted as attorney or special representative: *Provided further*, That no part of the foregoing appropriation shall be used for making any special study, investigation or report at the request of any other agency of the executive branch of the Government unless reimbursement is made for the cost thereof.

TITLE IV—GENERAL PROVISIONS

Strikes or
overthrow of
U. S. Govern-
ment.

Affidavit.

SEC. 401. No part of any appropriation contained in this Act, or of the funds available for expenditure by any corporation included in this Act, shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or vio-

lence: *Provided further*, That any person who engages in a strike Penalty.
against the Government of the United States or who is a member of an
organization of Government employees that asserts the right to strike
against the Government of the United States, or who advocates, or
who is a member of an organization that advocates, the overthrow of
the Government of the United States by force or violence and accepts
employment the salary or wages for which are paid from any appro-
priation or fund contained in this Act shall be guilty of a felony and,
upon conviction, shall be fined not more than \$1,000 or imprisoned for
not more than one year, or both: *Provided further*, That the above
penalty clause shall be in addition to, and not in substitution for, any
other provisions of existing law.

SEC. 402. No part of any appropriation contained in this Act shall Publicity or
be used for publicity or propaganda purposes not heretofore author- propaganda.
ized by the Congress.

SEC. 403. No part of any appropriation contained in this Act shall International
be used to pay any expenses incident to or in connection with participa- Materials
tion in the International Materials Conference. Conference.

This Act may be cited as the "Department of Commerce and Related Short title.
Agencies Appropriation Act, 1956".

Approved June 30, 1955.

